

The NATIONAL UNDERWRITER

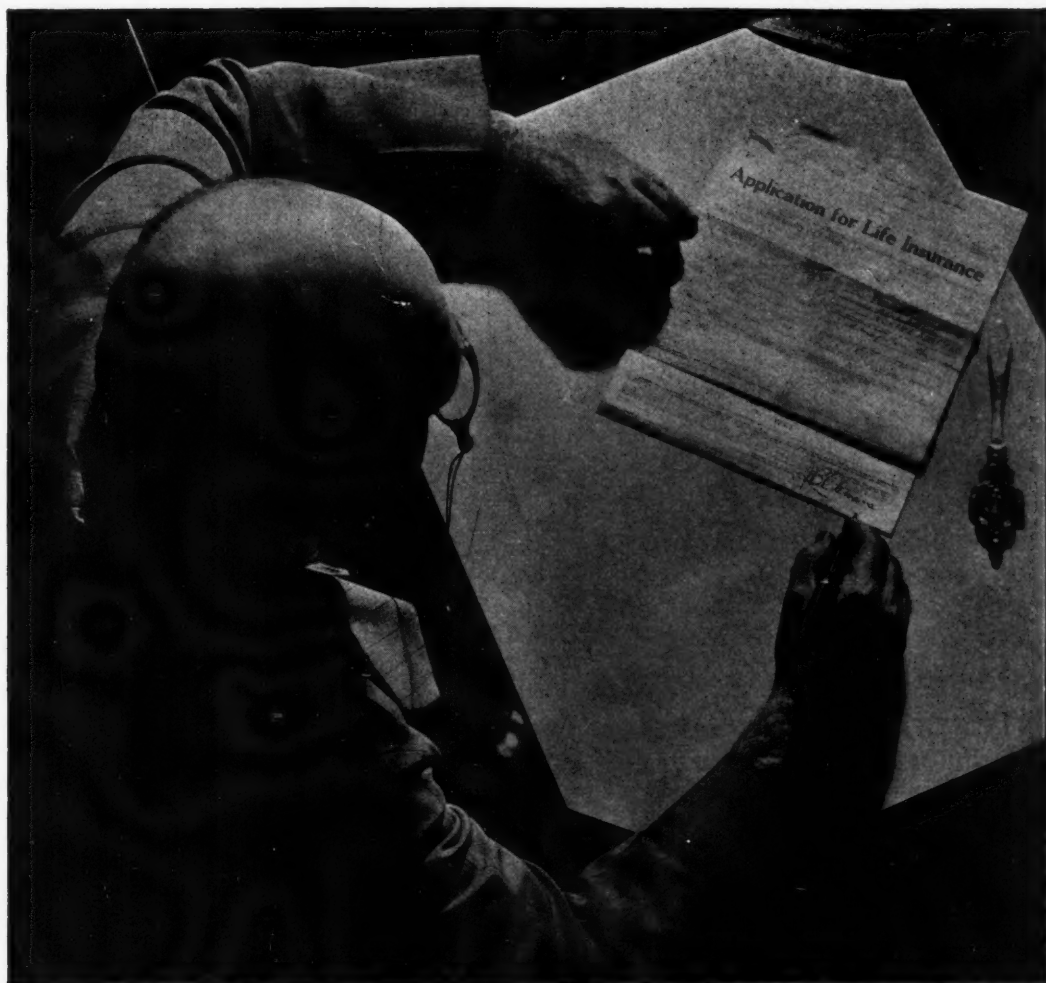
Life Insurance Edition

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IT STARTED WITH A PICTURE
A PICTURE of a pair of masculine feet, cocked up in luxurious ease on the porch railing of a swanky resort hotel. The picture carried this caption—"Picture of how a man worries when he has a guaranteed retirement income."

That's all—just a pair of "dogs" at ease—but it meant a lot more to this prospect than all the talk he had ever heard about retirement income.

The picture appeared in THE ESTATE-O-GRAPH, a picture publication sent to him by an enterprising life underwriter. And when the underwriter called a few days later, he found the prospect ready to talk about retiring at 65, although he had told another underwriter just the week before that he was *not* interested in life insurance.

THE ESTATE-O-GRAPH is a monthly picture publication for you to send to your prospects. Each

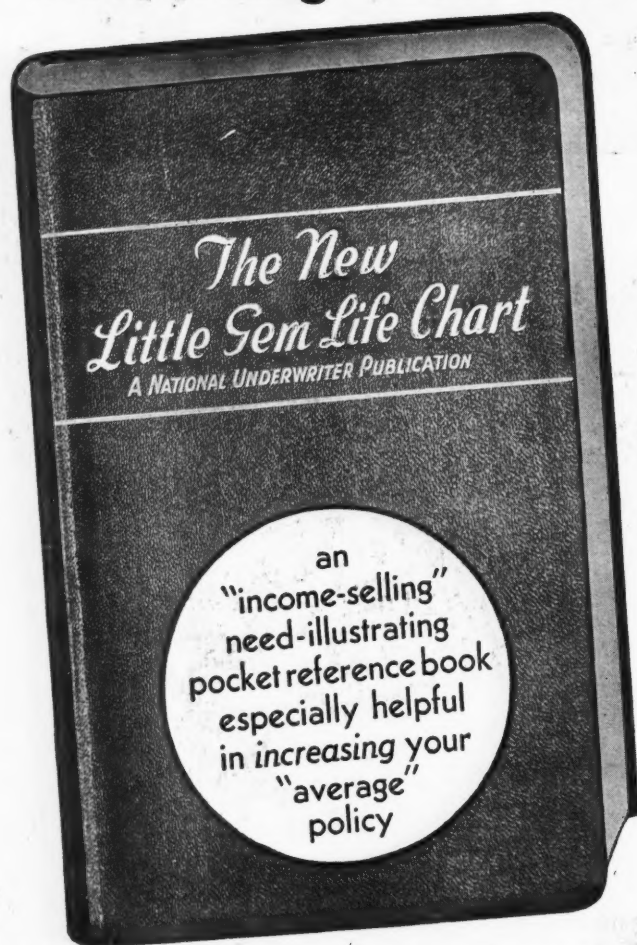
issue contains eight pages of motivating pictures like this one. It is printed in Rotogravure. It carries the underwriter's individual imprint on both front and back pages. Each issue visualizes some benefit of life insurance with vivid human interest pictures.

THE ESTATE-O-GRAPH is interesting, unusual, distinctive. It interests the prospect in life insurance as applied to his particular situation, and creates a favorable impression for the underwriter whose name it carries.

Would you like to see a copy and learn more about the service? A request will bring you a sample copy and complete information—if the franchise for your town is available. Write THE NATIONAL UNDERWRITER COMPANY, 175 West Jackson Blvd., Chicago, or ask any National Underwriter representative.

FRIDAY, JUNE 3, 1938

"Sales-Making" Facts and Figures that Sell Larger Policies!



JUST OFF THE PRESS

The New Improved

1938 "LITTLE GEM"

Presentation in terms of "Income" is the first step toward success. It is certain to increase your "average policy" and your Income. To talk Incomes intelligently with policyholders (who are your best prospects), you must be able to show them what can be accomplished with their present insurance, including that in "other companies."

Incomes and Values at Retirement Ages

(shown right with Rates, Costs, etc.)

The actual Guaranteed Incomes for over 100 companies are given in the Little Gem—*twice as many as other books show*. And for 1938 these Incomes are *right with* the Rates, etc., for greater convenience. Cash Values at 55, 60, and 65 are shown for as many as 12 contracts. With this data you can show the prospect who "already has enough," just what Incomes are available for his wife, his kids, his mother, what there will be for his "pension" including that from Social Security which is also covered in the Little Gem.

"Need-Illustrating" Basic Tables

From these special tables you can readily ascertain the Insurance Needed to guarantee *any combination* of Incomes (Readjustment, Educational or Retirement), with Clean-Up Funds and Deferred Payments.

Illustrations of Dividend Results

To bring out the value of allowing dividends to "pay up" or "mature" contracts, the Little Gem gives special illustrations showing not only how many years will be required but also the total premiums that will be paid—an exclusive Little Gem feature. In addition, new this year, are showings of what the 10 and 20 year accumulations or additions will amount to.

The "Hit" Book of 1937, with even greater Improvements for 1938—ORDER YOURS NOW!

IMPORTANT SPECIAL FEATURES

1. Exact, Guaranteed, Settlement Option Incomes.
2. "Need Illustrating" Basic Income (and other) Tables.
3. Cash Values at the Retirement Ages—55, 60 and 65.
4. Cash Values on many extra contracts.
5. Special Showings on More Special Contracts.
6. Large "Easy-to-Read" Type throughout.
7. "Natural-Way" Page Arrangement, too!
8. Sales Making Social Security Information.
9. Juvenile Insurance (New Special Section).
10. Retirement Contracts (a thorough Coverage).
11. Covers 150 Companies in Detail (Reports on 200).
12. Carefully Analyzes All Policy Provisions.
13. Covers "Company Practice" too!
14. Premium Rates at All Ages (over 2400 contracts).
15. Disability and Double Indemnity Rates.
16. "Net Cost—Net Payment" Illustrations.
17. Detailed Summaries for 10 and 20 years.
18. Improved Illustrations of Dividend Results.
19. Annuity Rates (Special Section on Annuities).
20. Rates on Interest Payable under Options.
21. Term Rates and Dividends on Term.
22. Dividends on Paid Up Policies.
23. Reserve Tables (including at ages 55, 60, and 65).
24. Financial and Business Figures (200 companies).
25. Supplemented Monthly by The Insurance Salesman.

Get All This Useful Programming Information

Many Important Changes

**You Must Have
New, Up-to-Date
Facts & Figures**

Company Club Rates to All Agents

Rush, at my "club rate"

....cop.... New 1938 Model "LITTLE GEM"

Name Title.....

Company

Address

City State.....

To The National Underwriter, 420 E. 4th St., Cincinnati

The NATIONAL UNDERWRITER

Forty-second Year—No. 22

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JUNE 3, 1938

\$3.00 Per Year, 15 Cents a Copy

Tells Actuaries That They Must Look to Future

President Smith in Address
to Institute in Chicago Sees
Broader Demand

Interesting questions on the ultimate purpose of the training of an actuary were raised in his presidential address at the meeting of the American Institute of Actuaries in Chicago this week by V. R. Smith, general manager of the Confederation Life of Toronto. Recently the American Institute joined with the Actuarial Society of America in approving a new syllabus of examinations, the same for each. The two actuarial bodies improved the actual machinery of conducting their examinations, notably in the extension of the field of joint examinations.

Speaking generally, Mr. Smith pointed out, the principal changes recommended and adopted in the new syllabus were a more distinct dividing line between the technical requirements for admission to the associateship and the broader outlook for the requirements for the fellowship, with more stress being laid upon the importance of these broader aspects of the work.

Time to Take Stock

Mr. Smith suggested that now is a good time to take stock and possibly determine how much has been done and how much remains to be done in achieving the objective in the training of an actuary and in fitting him to meet the increasing demands from the state and society in general, from the universities, from business and commercial interests, and particularly the insurance business itself, for sound and competent actuarial advice. Actuarial advice of this high character can be given only by those who have had the advantages of intense but broad and systematic training in mathematics, economics and finance.

Early Need for Actuaries

The first reference to an actuary in connection with a life insurance company is found in 1762, when the Equitable Society of England appointed an actuary to receive proposals and keep such books as might be required. In 1819 is found the first legislative reference to an actuary when the tables and rules of friendly societies in England were required to be certified by at least two persons known to be professional actuaries or "persons skilled in calculations." Two years later the post of government actuary was created in England. The Institute of Actuaries was formed in 1848, and given a royal charter in 1884.

The charter defined the objects as:
(a) The elevation of the attainment and status and the promotion of the general efficiency of all who are engaged in occupations in connection with the pursuit of an actuary.

(CONTINUED ON PAGE 24)

Policy Loan Situation Under Review by Bradshaw

Provident Mutual Official in
Fine Exposition at Gathering of
Life Counsel

Usual standard loan provision statutes do not state the rate of interest which may be charged on life policy loans, T. A. Bradshaw, assistant counsel Provident Mutual Life, declared in a fine thesis on policy loan problems delivered at the Hot Springs, Va., meeting of the Association of Life Insurance Counsel. He noted the New York law recently adopted which limits loan interest on new policies to 4.8 percent maximum if payable in advance, or the equivalent effective rate if otherwise payable. The statutes of Idaho, Massachusetts, Nebraska, New Mexico and Washington, he said, provide the interest rate shall not exceed 6 percent. Laws of most states, however, merely relate that the loan must be made "at a specified rate of interest."

Limitation of 6 Percent

Statutes of Colorado, Rhode Island and Utah relating to automatic premium loans specify that the interest rate on such loans shall be 6 percent. The Rhode Island law requires the rate be compounded and the Colorado and Utah laws that it be payable annually in advance. Louisiana, while not fixing the maximum rate, appears to limit it indirectly by the provision that policy loans bearing interest not in excess of 5 percent are exempt from taxation.

All the standard loan provision statutes provide the company may collect interest in advance to the end of the current policy year, Mr. Bradshaw said. Provisions for thus taking or charging interest in advance at the full rate specified in the policy generally have been upheld by the courts, he said.

Statutes of 19 jurisdictions specify or permit unpaid loan interest to be added to the principal of the loan so it shall in turn bear interest, Mr. Bradshaw said. These states are: Arizona, Delaware, District of Columbia, Illinois, Indiana, Kansas, Michigan, Minnesota, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Utah and Virginia. Mr. Bradshaw said he knew of no statute in any jurisdiction which purports to prohibit such treatment of unpaid interest.

Some of the earliest loan agreements provided for cancellation of policy for nonpayment of interest, whether or not the indebtedness equaled the loan value, and some provided for such cancellation without notice. Twenty-six states prohibit such cancellation while total indebtedness is less than loan value of policy. It is, however, generally recognized by courts that cancellation when such indebtedness equals or exceeds loan value is reasonable and enforceable, and the remedy of cancellation is more appropriate than that of sale which ordinarily must be resorted to by the pledgee in the usual commercial loan transaction.

He noted that insurance laws of 23 states and the District of Columbia require that the policy contain a promise

New England Mutual's Agency Department Lineup

W. E. Hays Made Director of
Agencies and C. F. Collins
Agency Secretary

BOSTON—The New England Mutual Life announces a reorganization of the executive responsibilities of the agency department at the home office, effective Aug. 1. Glover S. Hastings, who retired June 3 from active responsibility as superintendent of agencies, will continue to carry this honorary title as long as he wishes to do so. Two new offices are being created, director of agencies and agency secretary. W. E. Hays of the Hays, Hudson & Bradstreet general agency in Los Angeles becomes the first director of agencies, and Charles F. Collins, now assistant superintendent of agencies, becomes agency secretary.

New Agency Director's Career

Mr. Hays was born in Owensboro, Ky., in 1903, and is the son of R. R. Hays, senior member of Hays, Hudson & Bradstreet. He graduated from Stanford University in 1926 and immediately entered life insurance with his father, winning the C.L.U. designation in 1931. He became general agent of the New England Mutual Aug. 1, 1932, through a partnership relationship and was given charge of the Los Angeles office. Before that he had been with the Mutual Life of New York, being a member of its Quarter-Million Club.

He served as president of the Orange County Life Underwriters Association, and as vice-president of the Los Angeles association. He is now vice-president of the company's General Agents Association.

Assistant Superintendent Advanced

Mr. Collins was born in Boston and graduated from Worcester Academy and Boston University, receiving his degree of M.B.A. from the graduate school of business administration of Harvard University.

In the fall of 1914 he joined the New England Mutual's home office staff, and his entire business career has been with that company. He has worked in all departments of the home office. He paid for an average of \$100,000 a year for several years on a part-time basis, and has been acting manager in Richmond and at the 43rd Street agency in New York City. He was appointed agency supervisor in 1927 and assistant superintendent of agencies in 1930. He received the C.L.U. designation in 1937.

Dr. Olin C. Hendrix is appointed assistant medical director. A graduate of the University of North Carolina and of Harvard medical school, 1929, Dr. Hendrix has been medical and surgical director of the sanatorium division of Boston City Hospital. His appointment fills the vacancy left by the resignation some months ago of Dr. W. C. Bailey.

of the company to make loans or advances on the sole security of the life policy.

These are: Arizona, Delaware, Dis-
(CONTINUED ON PAGE 24)

Average Method Is Suggested for the Valuations

Superintendent Pink of
New York Presents Plan
to the Commissioners

A project to determine whether it is advisable to adopt a permanent average market basis for valuing stocks by insurance companies is now under consideration by the committee on valuation of securities of the National Association of Insurance Commissioners and will take a prominent place in deliberations at the commissioners' meeting in Quebec June 15-17.

Superintendent Pink of New York, chairman of the commissioners' committee, addressed a letter to the commissioners of all the states outlining a plan developed by Mr. Josephson of Standard Statistics Co. and Mr. Hughes, New York department auditor, at the suggestion of the commissioners' committee, for permanently averaging security values.

Stabilizing Influence

Mr. Pink stated that the use of fair average values each year instead of the actual Dec. 31 quotations, "would result in a stabilizing influence somewhat analogous to the use of amortized values for bonds. The injustices appearing in years when the market quotations are unduly low, as well as the inflationary effect of excessively high market quotations, will be thereby avoided."

"Furthermore," he said, "if there should be a sudden slump in the stock market toward the close of any particular year, there would be no need for a hurriedly called emergency meeting of the committee."

He stated it was the opinion of Messrs. Hughes and Josephson that the plan was a very practical approach to the problem "because it is simple to operate, the values ascertained are not subject to unduly large fluctuations and a fair weight is given to market conditions during the year of valuation. They recommend that bonds of governments and political subdivisions thereof be excluded from the plan of averaging. The fluctuations in the quotations on these classes of bonds are not as a rule very great."

Plan Is Suggested

"For Dec. 31, 1938, add together values printed in the valuation of securities books for the end of each year, 1934-1937, inclusive, and the mean between the highest and lowest quotations for the period Jan. 1, 1938, to Nov. 1, 1938, and divide the total by five.

"For Dec. 31, 1939, multiply the Dec. 31, 1938, association value by four, add to that the mean between the highest and the lowest quotations for the period Jan. 1, 1939, to Nov. 1, 1939, and divide the result by five.

(CONTINUED ON LAST PAGE)

In Force, New Business and Gain Rankings

Rankings of the life companies by total, ordinary, group and industrial insurance in force, by the amount of new business written and by gain in insur-

ance in force are shown below. The total insurance in force includes ordinary, industrial and group. The ordinary classifications include intermediate busi-

ness, which is usually considered as coming under the ordinary department by the industrial companies. The following figures were compiled by the

"Unique Manual Digest" published by THE NATIONAL UNDERWRITER, showing the leading companies in each classification.

TOTAL IN FORCE

1. Metropolitan	\$22,584,093,698
2. Prudential	17,546,614,985
3. New York	6,770,747,375
4. Equitable, N. Y.	6,734,531,661
5. Travelers	6,689,517,895
6. John Hancock	4,098,237,552
7. Aetna	3,956,746,689
8. Northwestern Mutual	3,859,216,703
9. Mutual Life, N. Y.	3,758,762,033
10. Sun Life, Can.	2,896,589,103
11. Mutual Benefit	2,032,208,082
12. Penn Mutual	1,928,474,423
13. Mass. Mutual	1,911,059,010
14. New England Mut.	1,471,806,765
15. Union Central	1,428,801,072
16. Connecticut General	1,237,366,929
17. Provident Mutual	979,141,068
18. Lincoln National	961,125,422
19. Western & Southern	953,696,951
20. Canada	817,192,538
21. General American	748,027,109
22. Bankers, Ia.	746,676,908
23. American National	671,629,425
24. Phoenix Mutual	644,629,429
25. Pacific Mutual	606,336,232
26. National Life & Acc.	599,810,646
27. State Mut. Mass.	585,578,777
28. London Life, Can.	583,338,327
29. Equitable, Ia.	571,985,070
30. Great West, Can.	567,149,708
31. Mutual Life, Can.	550,578,406
32. Manufacturers	535,953,896
33. National Life, Vt.	533,955,109
34. Guardian, N. Y.	481,557,511
35. Life of Virginia	476,115,556
36. Reliance Life, Pa.	453,561,158
37. Kansas City Life	446,530,497
38. Northwestern Natl.	418,536,825
39. Confederation, Can.	411,141,459
40. Occidental, Calif.	401,323,389
41. Acacia	387,261,646
42. Home Life, N. Y.	379,511,099
43. Jefferson Standard	371,023,157
44. Fidelity Mutual	362,885,947
45. Southwestern, Tex.	323,052,391
46. Imperial, Can.	289,438,142
47. American United	272,167,486
48. Monumental	258,086,375
49. Great Southern	242,737,130
50. Continental Assur.	235,733,293
51. Life & Casualty	219,083,647
52. Calif. West. States	218,893,161
53. Minnesota Mutual	212,637,652
54. Berkshire	208,607,868
55. No. American, Can.	202,649,839
56. State, Ind.	193,536,549
57. Southland, Tex.	193,630,618
58. Ohio National	182,368,944
59. Crown, Can.	177,573,993
60. Franklin Life	175,021,192
61. Columbian Natl.	174,115,698
62. Dominion, Can.	172,938,447
63. Shenandoah	171,217,989
64. Mutual Trust	167,839,784
65. Pan-American	163,408,103
66. Central Life, Ia.	161,810,575
67. Commonwealth	151,676,560
68. Mass. Savings Banks	139,706,498
69. North Amer. Reas.	139,388,300
70. Atlantic, Va.	136,053,226
71. Guarantee Mutual	133,412,420
72. Columbus Mutual	132,720,518
73. Hercules	131,510,498
74. Pilot Life, N. C.	126,214,342
75. Bankers, Neb.	125,467,516
76. United Benefit	124,714,901
77. Illinois Bankers	123,635,293
78. Continental Amer.	123,390,103
79. Sun Life, Md.	121,502,242
80. West Coast Life	118,105,902
81. Country Life	115,310,406
82. Home Life, Pa.	114,785,248
83. Business Men's, Mo.	114,657,544
84. Colonial	112,838,639
85. Provident Life & Acc.	112,046,898
86. Midland Mutual	111,621,628
87. Protective Life	108,807,289
88. Alliance Life, Ill.	107,947,943
89. Peoples Life, D.C.	106,138,066
90. Indianapolis Life	106,077,790
91. Excelsior Life, Can.	106,003,931
92. Volunteer State	100,908,201
93. Northern Life, Wash.	100,464,605
94. Baltimore	99,047,674
95. Equitable Life, D. C.	98,522,025
96. Yeomen Mutual	94,242,427
97. Ohio State	92,267,059
98. Security Mut. N. Y.	90,237,600
99. Home Beneficial	86,262,136

ORDINARY IN FORCE

1. Metropolitan	\$11,400,690,229
2. Prudential	8,585,339,157
3. New York	6,770,747,375
4. Equitable, N. Y.	6,734,531,661
5. Northwestern Mut.	3,859,216,703
6. Mutual, N. Y.	3,758,762,033
7. Travelers	2,782,914,882
8. Sun Life, Can.	2,454,429,203
9. John Hancock	2,056,498,196
10. Mutual Benefit	2,032,208,082
11. Aetna	1,955,981,184
12. Penn Mutual	1,928,474,423
13. Mass. Mutual	1,911,059,010
14. New England Mut.	1,471,806,765
15. Union Central	1,428,801,072
16. Connecticut General	979,141,068
17. Provident Mutual	961,125,422
18. Lincoln National	896,698,575
19. Connecticut General	795,604,084
20. Bankers, Ia.	746,676,908

21. Canada Life	718,194,873
22. Phoenix Mutual	644,629,429
23. Pacific Mutual	606,336,232
24. State Mutual	585,578,777
25. Equitable, Ia.	571,985,070
26. Mutual Life, Can.	534,735,694
27. National Life, Vt.	533,955,109
28. Great West	531,864,283
29. Manufacturers, Can.	525,885,847
30. Guardian, N. Y.	479,602,893
31. Reliance, Pa.	453,561,158
32. Kansas City	442,029,112
33. Acacia Mutual	387,261,646
34. Confederation, Can.	387,107,675
35. Home Life, N. Y.	379,511,099
36. General American	371,034,864
37. Jefferson Standard	370,823,157
38. Fidelity Mutual	362,885,947
39. London Life, Can.	352,250,874
40. Occidental, Calif.	331,973,507
41. Northwestern Natl.	331,294,865
42. Western & Southern	321,600,442
43. Western & Southern	291,512,070
44. Imperial, Can.	287,179,382
45. American United	272,167,486
46. Great Southern	233,782,080
47. Berkshire	208,607,868
48. Calif. West. States	205,360,456
49. No. American, Can.	199,523,338
50. Natl. Life & Acc.	197,539,893
51. State, Ind.	193,536,549
52. Minnesota Mut.	181,836,085
53. Ohio National	181,324,404
54. Southland Life, Tex.	177,139,662
55. Crown, Can.	177,082,493
56. American National	174,534,857
57. Franklin	172,801,304
58. Life of Virginia	170,499,936
59. Mutual Trust	167,839,784
60. Dominion, Can.	167,871,039
61. Columbian Natl.	167,456,244
62. Central Life, Ia.	161,810,575
63. Continental Assur.	154,179,419
64. Pan-American	152,588,753
65. North Amer. Reas.	139,388,300
66. Atlantic, Va.	135,808,226
67. Guarantee Mutual	132,412,490
68. Columbus Mutual	132,720,518
69. Hercules	131,510,498
70. Mass. Savings Bank	125,467,516
71. Bankers, Neb.	124,714,901
72. United Benefit	123,635,293
73. Illinois Bankers	123,316,603
74. Continental American	123,310,406
75. Country Life	111,621,628
76. Midland Mutual	107,384,511
77. West Coast	106,161,693
78. Alliance	106,077,790
79. Indianapolis	106,003,931
80. Excelsior, Can.	100,908,201
81. Volunteer States	100,905,817
82. Business Men's	94,242,427
83. Yeoman Mutual	91,549,509
84. Ohio State	90,237,600
85. Security Mut. N. Y.	84,605,408
86. Northern, Wash.	84,496,470
87. Pilot Life, N. C.	79,449,263
88. Amicable	77,730,261
89. Old Line Life	77,536,204
90. Federal, I.	76,553,516
91. Commonwealth	74,181,256
92. Union Mutual, Me.	74,070,144
93. Central States	69,449,423
94. Manhattan	68,041,393
95. Lamar Life	67,514,660
96. Beneficial	62,624,402
97. American Life, Mich.	62,355,206
98. North Amer., Ill.	60,279,746
99. Presbyterian Min.	59,992,244
100. Shenandoah	59,992,244

GROUP IN FORCE

1. Metropolitan	\$3,671,865,512
2. Aetna	2,000,769,485
3. Equitable, N. Y.	1,969,862,050
4. Travelers	1,906,603,017
5. Prudential	1,387,483,736
6. Sun Life, Can.	1,442,159,900
7. General Amer.	376,992,245
8. John Hancock	358,346,068
9. Conn. General	331,762,845
10. Shenandoah	111,225,745
11. Canada	98,997,665
12. Northwestern Natl.	87,241,962
13. Continental, Ill.	71,363,570
14. Provident L. & A.	69,000,077
15. Occidental, Calif.	67,959,882
16. Lincoln National	56,998,376
17. Union Labor	56,481,750
18. Protective Life	50,668,452
19. Union Cooperative	45,335,860
20. London Life, Can.	39,431,658
21. American Natl.	36,356,000
22. Great West, Can.	35,285,425
23. Minnesota Mutual	30,851,617
24. Morris Plan	29,479,220
25. Southwestern, Tex.	27,591,949
26. Confederation, Can.	23,943,784
27. Northern, Wash.	15,859,197
28. Mutual Life, Can.	15,847,712
29. Mass. Savings Banks	14,032,750
30. Business Men's	13,751,727
31. Calif. West'n States	13,532,705
32. Pan-American	11,349,350
33. West Coast	10,721,391
34. Capital, Colo.	10,523,097
35. Southeastern	10,202,406
36. Manufacturers	10,068,049

INDUSTRIAL IN FORCE

1. Prudential	\$7,573,792,092
2. Metropolitan	7,511,537,957
3. John Hancock	1,684,402,288

4. Western & Southern	577,362,445
5. American Natl.	460,738,568
6. National L. & A.	392,640,253
7. Life Ins. Co. of Va.	302,071,995
8. Monumental	199,627,312
9. London Life, Can.	163,719,143
10. Life & Casualty	87,768,969
11. Peoples Life, D. C.	87,768,969
12. Sun Life, Md.	87,055,479
13. Industrial L. & H., Ga.	85,396,026
14. Colonial	81,236,259
15. Commonwealth	75,123,044
16. Baltimore	74,291,076
17. Home Beneficial	74,277,446
18. Home Life, Pa.	64,525,207
19. Equitable, D. C.	63,013,642
20. Continental, D. C.	59,314,941
21. Boston Mutual	56,206,367
22. Southern L. & H.	53,554,893
23. Gulf Life, Fla.	50,972,153
24. Knights Life, Pa.	50,248,372
25. Durham Life	49,652,131
26. Washington Natl.	44,972,109
27. Liberty, S. C.	43,543,690
28. Pilot	41,717,872
29. Interstate L. & A.	41,115,380
30. Atlanta Life, Ga.	39,747,092
31. Liberty National	34,004,206
32. Carolina Life	31,768,791
33. Eureka-Maryland	31,197,082
34. Home Security	29,391,243
35. Texas Prudential	29,294,594
36. North Carolina	26,476,994
37. Supreme Liberty	26,387,680
38. Home Friendly	25,960,109
39. Amer. L. & A., Ky.	23,278,099
40. Peninsular	22,134,884
41. Pennsylvania Mut.	21,900,767
42. Gate City	21,757,738

TOTAL WRITTEN IN 1937

1. Metropolitan	\$3,161,951,187
2. Prudential	2,427,461,827
3. Aetna	961,880,083
4. Equitable, N. Y.	935,257,669
5. Travelers	774,815,451
6. John Hancock	499,391,243
7. New York	488,165,672
8. Sun Life, Canada	372,196,091
9. Northwestern Mutual	272,865,200
10. Mutual, N. Y.	271,110,942
11. American Natl.	253,999,983
12. Natl. L. & A.	245,826,194
13. Industrial L. & H.	215,158,811
14. Conn. General	205,260,160
15. Penn Mutual	180,424,409
16. Western & Southern	179,509,594
17. Lincoln Natl.	169,639,702
18. Occidental, Calif.	166,420,091
19. New England Mut.	156,642,159
20. Mass. Mutual	147,182,830
21. Mutual Benefit	137,062,914
22. General American	122,282,729
23. Life Ins. Co. of Va.	117,454,433
24. Life & Casualty	110,988,510
25. London Life, Can.	99,372,518
26. Conn. Mutual	98,955,828
27. Union Central	96,567,974
28. Monumental	81,442,911
29. Provident Mutual	79,305,217
30. Home Beneficial	78,016,208
31. Northwestern Natl.	73,823,541
32. Peoples, D. C.	71,377,710
33. Canada Life	70,617,146
34. Bankers, Iowa	66,601,575
35. Phoenix Mutual	65,612,992
36. Washington Natl.	65,551,473
37. Kansas City	65,158,994
38. Reliance, Pa.	62,081,448
39. Manufacturers	62,057,974
40. Jefferson Std.	57,724,236
41. Morris Plan	56,466,154
42. Equitable, Iowa	53,334,996
43. Guardian, N. Y.	50,638,236
44. Continental Assur.	50,630,098
45. Great West	50,326,444
46. Acacia Mutual	49,857,323
47. Confederation, Can.	48,443,831
48. Southwestern	47,301,848
49. National Life, Vt.	47,129,782
50. United Benefit	46,652,399
51. Mutual Life, Can.	44,697,393
52. Great Southern	44,529,636
53. Gulf, Fla.	42,109,785
54. State Mutual Mass.	42,118,023
55. Commonwealth, Ky.	41,130,114
56. Pilot, N. C.	40,651,833
57. Home Life, N. Y.	39,096,135
58. American United	38,296,401
59. Liberty National	36,739,877
60. Equitable, D. C.	36,189,947
61. Manufacturers, D. C.	33,197,753
62. Minnesota Mutual	32,837,724
63. Durham Life	32,488,989
64. Crown, Canada	32,185,644
65. Southland	32,135,745
66. Pacific Mutual	30,662,896
67. Baltimore	29,741,309
68. Pan-American	29,652,850
69. Knights Life, Pa.	29,180,244
70. Interstate L. & A.	28,319,824
71. Fidelity Mutual	28,225,985
72. Imperial, Canada	28,110,541
73. Carolina	26,682,858
74. Eureka-Maryland	26,581,562
75. Columbian Natl.	26,451,960
76. Calif. West. States	25,816,139
77. Colonial	25,775,878
78. North Amer., Canada	25,471,230

*Includes reinsurance or merger: Occidental and Guaranty, Iowa; Washington National and Hercules; Southland and Gulf States.

79. Ohio National	24,808,454
80. Texas Prudential	24,778,337

Life Counsel Has Midyear Meeting At Hot Springs

Some Valuable Points Are Brought Out in Papers and Discussions

HOT SPRINGS, VA.—At the mid-year meeting of the Association of Life Insurance Counsel, Clyde P. Johnson, vice-president Western & Southern Life, who is president of the organization, presided. There was much interest in the paper of T. A. Bradshaw, assistant counsel Provident Mutual, on laws and decisions concerning policy loans. The Solomon case now before the Illinois appellate court and the Northwestern Mutual case in Washington were cited as being highly important.

The dialogue conducted by Counsel John M. Avery and Actuary H. H. Jackson of the National Life of Vermont as their part of the program was one of the outstanding features.

Collateral Assignment Forms

George Hoague of the New England Mutual gave some observations on collateral assignment forms. H. K. White, assistant cashier of the First National Bank of Boston, who is chairman of the subcommittee of the American Bankers Association on standard forms, reports and records, submitted a recommended draft of an assignment blank. This created much discussion, the general feeling being that the blank protected the banks very carefully but did not give due regard to the life companies and policyholders. A committee was appointed to take this matter up with the bankers. Berkeley Cox of the Aetna Life reported for the committee on community property law.

T. H. Tangeman's Paper

Counsel T. H. Tangeman of the Columbus Mutual Life presented a paper on "Some Fundamental Principles Relating to the Application of Dividends." In presenting a summary of his treatise, Mr. Tangeman said:

"To summarize it may be said that life insurance policies now almost universally provide four options as to the disposition of dividends at the election of the insured and a provision automatically disposing of them in a specified way in the event the insured fails to elect any of the options. If the insured selects any particular option then the company has no right and consequently no duty to dispose of them in any other way. If the insured fails to select any option then the automatic provision must control and unless it provides, as it rarely if ever does, that the dividend shall be applied to keep the policy in effect, then the company has no right or duty to apply it either to premiums, loans, or directly to extended insurance to keep the policy in effect."

Four Options in Most Policies

The four options found in most policies are:

1. To apply the dividends to the payment of premiums,
2. To purchase paid-up additions to the policy,
3. Receive the dividend in cash, and
4. To leave the dividends with the company to accumulate at interest.

Controversies will seldom arise if the first option is selected and the case of Atlantic Life vs. Vender (Va. 1926) 146 Va. 312, 131 S.E. 806 (1926), is authority that if the second option is selected the dividends are not available for other purposes. The Williams case, Williams vs. Union Central Life 291

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Canadian Agency Officers Program Is Announced

Annual Meeting Will Be Held Next Week at London, Ont.—Life Officers Also to Meet

The Canadian Association of Life Agency Officers which will hold its annual meeting at London, Ont., June 8-9 is similar to the Association of Life Agency Officers in the United States. The Canadian Life Officers Association will meet in London the same week. J. A. McAllister, Sun Life, is chairman of the executive committee of the Life Agency Officers; J. N. Cabana, La-Sauvegarde Life, is honorary secretary and treasurer, and J. O. Galloway, Imperial Life, is secretary and treasurer. The executive committee consists of W. Carlisle, Mutual Life of Canada; R. M. Huestis, National Life of Toronto; J. A. McCamus, North American Life of Toronto; W. T. Thorpe, Manufacturers Life, and F. D. Smith, Metropolitan Life.

The program for the agency officers is:

Wednesday Morning Session

Chairman, J. A. McAllister.
Chairman's opening remarks.
Reading of minutes.
Financial report.
Report of joint committee.
Discussion and vote on a change in the constitution and by-laws, J. A. McCamus.

Afternoon Session

Life Insurance Sales Research Bureau.
Selection of Agents, John Marshall Holcombe, Jr.
Conservation Trends in Canada Today, Ward Phelps.

Thursday Morning Session

Life Insurance Sales Research Bureau.
What Price Business? L. S. Morrison.
The Small Policy Problem, Kenneth R. Miller.

Presides at American Institute Meet This Week



V. R. SMITH

V. R. Smith, general manager of Confederation Life of Toronto, is presiding this week over the summer meeting of the American Institute of Actuaries at the Edgewater Beach Hotel in Chicago.

Golf, Sunningdale Golf Club.

Thursday Evening

Formal dinner.
Speakers, Angus L. Macdonald, premier of Nova Scotia; H. Napier Moore, editor Maclean's Magazine.

Innes House, outstanding producer with the Penn Mutual in Wichita, Kan., and former general agent, is recovering from an illness which confined him to a hospital for a week.

L. O. M. A. Meeting Sets Attendance Mark at Nashville

Financing Agents, Fractional Premiums Topics at Midwest-Southern Meet

The midwest-southern conference of the Life Office Management Association at Nashville drew an attendance of 280, thereby setting a new record for the midwest conferences and justifying the expectations of those who looked for a large southern participation by reason of the meeting being held in the south.

In view of the fact that business recessions bring not only smaller writings by agents but a greater proportion of fractional premiums, the two papers on handling the fractional premium problem were particularly timely.

Minnesota Mutual Plan

W. F. Hagerman, comptroller, Minnesota Mutual Life, described his company's financing plan. Whenever any agent enters on the plan, a basic rate of advance is used for his first three months. Afterwards the rate may be increased on good experience. With lower than average lapse rates, the margin is increased and it has been found practicable in such cases to increase the rate of advance per policy. On some annual cases the advance is one and one-third times the semi-annual commission, on quarterly cases twice the quarterly commission, on monthly payroll deduction cases seven months commissions and on other monthly premiums six months commissions.

The company's aim is to keep an ample margin of security for the company and to reward good experience and persistent business by larger amounts of advance. In the main, these two ends have been attained, Mr. Hagerman said.

Midland Mutual System

R. C. Witherspoon, Midland Mutual, said that about ten years ago the Midland Mutual adopted the \$10 per \$1,000 plan devised by the Acacia Mutual, except in the case of term where advances were \$2.50 per \$1,000. Experience with this plan, he said, demonstrated that an advance of \$10 per \$1,000 is eminently conservative and that advances might safely be made at the rate of even \$15 per \$1,000.

In 1935 the Midland Mutual adopted a modification of \$10 per \$1,000 plan which the company feels has some points of superiority. The present plan permits the agent to keep his full commission on the initial premium under every policy and the company than advances to him two-thirds of the remaining anticipated first-year commissions. Thus, on an annual premium policy the agent gets his full commission according to his contract. If the policy is payable semi-annually the agent retains the first semi-annual commission and the company advances him two-thirds of the second semi-annual commission as soon as it receives the initial premium.

Application to Quarterly Basis

Under a quarterly payment policy the agent keeps the first quarterly commission and as soon as the company receives the remittance for the first quarterly premium it advances two-thirds of the remaining first year commissions, that is, the equivalent of the commissions on two more quarterly premiums. In connection with monthly premium policies, the agent remits the first three monthly premiums net, retaining his

(CONTINUED ON PAGE 14)

PACKAGE SALE

That's a phrase which we find scattered among Home Office magazines and Agency bulletins, in Sales Congress addresses, and in articles in the insurance journals. Not long ago we saw this remark in the bulletin of one of our Agencies:—"Package sales seem to click better than any other." The term applies to an insurance plan complete within the edges of a single contract. It may provide a single service, or it may broaden into two or three.

As one underwriter states it, "From this complete package, Mr. Prospect, there will be delivered money for," as the case may be, a clean-up of family indebtedness when needed, or a combined clean-up fund and adjustable income for his wife, or payment of the mortgage, or college education for his children, or for a retirement income in his own later years.

For all we hear there's sales power in the completeness and definiteness of that word "package." Variations in the use of it will occur to every underwriter, but to "click" it must be deftly used, else it may make the prospect think of a pound of butter.

+ + +

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

Pennsylvania Days Covered Subjects of Wide Scope

All Branches of Insurance Joined Under Auspices of Insurance Federation

PHILADELPHIA.—Devoid of the fanfare and publicity which had characterized its annual gatherings for the past two years, the Insurance Federation of Pennsylvania celebrated its silver jubilee by sponsoring the 1938 Pennsylvania Insurance Days here.

Its theme that of Sales Promotion, the two-day confab offered addresses at all of the various conferences of all the branches of the business replete with sales ideas. Although the program listed quite a few outstanding men in the insurance field, it remained for two of the lesser lights to "steal the thunder."

Charles P. Butler's Talk

There was Charles P. Butler, one-time deputy superintendent of insurance of New York and now manager of the New York office of the North America, with the grave warning to the companies that present day conditions precluded profits from investment returns or investment portfolios and that it was imperative that strong attention be paid to more careful underwriting so that the premium return a profit dollar.

Then there was John F. Leibig, assistant manager of the Philadelphia branch of the Continental Casualty and past president of the Accident & Health Club of Philadelphia, with a vigorous condemnation of socialized hospitalization and socialized accident and health insurance and a strong attack on Senator Wagner's proposal to incorporate compulsory accident and health insurance in the social security act.

The sales promotion theme assumed a big aspect in the welcoming address of John A. Stevenson, president of the federation and executive vice-president of the Penn Mutual Life. As he phrased it, sales promotion is more than merely sales aids. For "adequate selling is genuine service." He asserted that the main objective of the Pennsylvania Federation is to render more distinguished service to the owners of insurance policies—for the companies, agents and the brokers to so arrange their affairs that those who invest \$1 in insurance will get back 100 cents or more.

This year's gathering was outstanding for several reasons. There was the active cooperation of the Pennsylvania Association of Insurance Agents with W. F. Wingett, of Scranton, president, acting as toastmaster at the banquet. This came about mainly through the deep affection, admiration and respect that the agents have for John W. Donahue, resident vice-president in Philadelphia for the Maryland Casualty, in whose honor the banquet was given.

Owen B. Hunt Prominent

Again, the opening luncheon program was virtually handled by the Pennsylvania department, with Commissioner Hunt as toastmaster. In his address, he presented an accounting of the work done by the department during the three and a half years of his administration. But the commissioner enlarged a bit on his prepared address and his remarks were taken by many as a play for re-appointment by the incoming administration to be elected in November. One of the Philadelphia newspapers, the "Inquirer," so stated in its account on Friday morning but this statement Mr. Hunt vigorously denied, asserting that

Fourteen Associations Endorse C. J. Zimmerman



CHARLES J. ZIMMERMAN

The Chicago Life Underwriters Association has unanimously endorsed the candidacy of Charles J. Zimmerman, Chicago general agent Connecticut Mutual Life, for vice-president of the National Association of Life Underwriters. The Chicago committee was headed by Alan J. McKeough, president of the Life Underwriters Association of Chicago, and composed of Mortimer J. Buckley, Provident Mutual, and John D. Moynahan, Metropolitan Life.

A similar action has already been taken by the Illinois State Life Underwriters Association. Other associations which have endorsed Mr. Zimmerman's candidacy are the Life Underwriters of Northern New Jersey, in which Mr. Zimmerman is an honorary member, as well as the New York City Life Underwriters Association, in which Mr. Zimmerman is an associate member. Other associations which have endorsed Mr. Zimmerman's candidacy are Pittsburgh, Minneapolis, Houston, San Antonio, Dallas, Cincinnati, Boston, Nashville, Davenport and Cedar Rapids.

This is the first time that the New York and Pittsburgh associations have gone on record in endorsing any one for national office other than a local man.

Mr. Zimmerman is now national secretary.

his views differed so radically from those of the Republican nominee, Judge Arthur James, that "I could not serve under him and would refuse the appointment if it were offered to me." Mr. Hunt said, too, that if the Democratic nominee, Alvin Jones, is elected his re-appointment as insurance commissioner is virtually assured.

What Has Been Accomplished

The inference was drawn by many when the commissioner declared:

"In the past three years we have strengthened the efficiency of all divisions of the department. Any additional expense has been far more than offset by additional collections on sums due to the state in items that had previously been neglected. Thus for every dollar expended we have brought in three dollars more to the state.

"Pennsylvania still ranks only 20th among all the states in the proportion of the revenue derived from insurance taxes and fees which is devoted to supervision of insurance. There are 19 other states that spend a larger proportion of these funds on the work of their insurance department."

John A. Stevenson was reelected president of the Insurance Federation. John A. Diemand, executive vice-president Indemnity of North America, was

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Group Brokerage Competition Irks Ordinary Managers

Frown on Solicitation of Business by Regular Agents Because of Unprotected Situation

Some antagonism exists between group and ordinary men because of the brokerage of group business. Some ordinary life managers and general agents feel that they are so unprotected against brokerage competition that it is a waste of time to go out after group business.

It is easier to approach a business executive on group than it is on ordinary because the deal involves the firm's and the employee's money and an executive is more willing to consider such an expenditure than if he had to write the check himself. Under the circumstances the ordinary agent may be able to progress satisfactorily in developing a group case in its preliminary stages but when he presses for the close he may lose it to a broker.

Place Case with Another Agent

In several cases where company officials have taken up a group insurance proposal with their directors and bankers it has been decided it was more advantageous from the company's standpoint to place the business with some person or firm other than the original agent either because some insurance representative was on the board or because he was on the bank's board.

The group departments have been particularly interested in securing and developing group business on the large accounts controlled by brokers and they lean backwards to please the brokers at the expense of the company's ordinary agents, the ordinary agency managers feel.

Although a group case is big game for the ordinary agent it takes considerable time to develop a large case and if he isn't protected in his efforts the time he so spends is a total loss. Not only does he actually lose the commission but he gets out of his regular ordinary stride and his morale drops.

Discourage Group Writing

In view of this situation several ordinary agency heads of companies writing group are not encouraging their men to write group and even frown on it. They feel that a group seeking ordinary agent would be better off in the long run if he would sell his group contact a personal ordinary policy and let the matter drop. Even where there are possibilities of installing a salary deduction plan an ordinary agent in a group writing company may run into troubles as the group department in some cases has first choice on whether it should be developed as a group case rather than as a salary deduction program.

The group men feel that in a large organization that it is only natural that the broker get the business if he is handling the firm's fire and casualty insurance business and that the ordinary life agent doesn't fit into the picture.

New Bank Insurance Move in Massachusetts

BOSTON—The Massachusetts senate has taken a new angle with respect to the resolution of the Massachusetts Association of Life Underwriters which sought to limit writings in the savings banks life insurance banks to \$3,000 straight life for one person and \$500 annuities. On first report of the measure the senate refused to accept report of the insurance committee referring the bill to the next annual session and substituted a proposal to create a special recess commission to study the problem. The senate has now gone on record for a new bill providing for a limit of \$5,000

Claimants Can't Win Verdicts in Disability Suits

Federal Fraud Prosecutions Have Switched Juror's Sympathies to Companies

NEW YORK—Juries in contested disability cases, who have traditionally sided with the claimants, have swung around to an opposite view in the New York City area as a result of the federal government's prosecution of organized disability faking, according to G. M. Noonan, chief of criminal investigation, United States district attorney's office, New York City. In revealing this before the Midtown Managers Association meeting Mr. Noonan did not make this statement on his own authority but quoted a prominent New York judge, who said it is now almost impossible for the plaintiff to win in such cases.

The government has successfully prosecuted one group of these racketeers and has indicted a number of other individuals whom it will shortly bring to trial.

Dosed with Digitalis

Mr. Noonan gave some interesting details of the manner in which the ring headed by a firm of attorneys had systematically milked companies on disability claims. The system was that the head doctor in the ring would give digitalis to the insured who was to make a claim under his policy. He would keep this up until he had determined exactly the right amount of digitalis to produce an electrocardiogram showing heart damage in a very convincing way.

The claimant would also be coached in all the symptoms of heart disease so that he fooled even experts on cross-examination. Sometimes it was necessary to have the claimant enter a hospital so as to establish a convincing record. In such cases he would take along enough digitalis to last him for about 10 days so that his heart would appear diseased on examination.

Family Doctors Also Victims

Mr. Noonan said that the family doctors who played minor roles were almost as much the victims of the racketeers as were the insurance companies, for the doctors received only \$5 to \$7, or slightly above their regular fee, for making false reports to the effect that they had examined the "patient" and found him in a bad way some months previous.

An odd result of the racket, according to Mr. Noonan, is that many of the claimants were so thoroughly drilled in their symptoms that they now believe that they are actually diseased, although there was nothing whatever the matter with them before they took part in the racket. Mr. Noonan said that the ring which has already been prosecuted was collecting about \$100,000 a month. Several other law firms are suspected but, warned by the experience of those who have been prosecuted, are now extremely cautious and are harder to catch.

Sells Essay Contest Winner

Lillian Smith, Beaumont, Tex., prize winner in the national contest of the National Association of Life Underwriters, wrote her essay so well that she now owns a life policy. C. M. Carroll, Beaumont agent Lincoln National, called on Lillian the same day she was announced as a winner and initiated a life insurance program for her.

straight life and \$1,000 annuities for any one person, and the new bill has gone to the senate ways and means committee

Jeffersonians! Your Cooperation for
\$400,000,000
 in force end of
1938!

Working together-Success is Sure

JEFFERSON STANDARD LIFE INSURANCE COMPANY
 JULIAN PRICE - PRESIDENT
 GREENSBORO, NORTH CAROLINA

\$10,000 a Day

Merchandise does differ. Some has buyer appeal. Some arouses buyer resistance. Continental endeavors insistently to minimize buyer resistance.

\$10,000 a day is enviable production. Yet . . . a new general lines agency . . . unseasoned in life insurance . . . produced \$82,000 in its first eight days . . . Unit Pension Plan was the medium.

Unit Pension Plan . . . a combination of life insurance, time insurance and retirement insurance . . . is a practical dollars-and-cents illustration of Continental co-operation . . . typical . . . exclusive . . . Write us and we will write you. Perhaps a Continental agency contract is desirable . . . very.

Continental

ASSURANCE COMPANY

CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL CASUALTY COMPANY

National "Ads" Promote Selling Idea With Agents

Reach Producers as Well as Buyers—L. A. A. Has Eastern Parley

NEW YORK—"Insurance advertising men should expend as much energy selling their product to the agent as they do in promoting it with their company managements," James A. Peirce, assistant manager publicity department John Hancock Mutual, told members of the Life Advertisers' Association Wednesday at the eastern round table.

"We were considerably aided in carrying out our merchandising idea in 1938," he said, "by the current activities of the agency department, which is in process of establishing the single needs selling, as outlined in the 'Successful Selling' course, throughout our agency system."

Promote a Selling Idea

"We reasoned that if advertising could sell a buying idea to the consumer, it could just as effectively promote a selling idea to the salesman. And though the training of agents in the technic of selling is no part of the function of our advertising department, we felt that through advertising we could help the agency department shorten the distance between the development of a selling idea and its acceptance by the sales force. No matter how many trainers we might have on our staff—how well organized our plans for contacting each man through managers, in a sales force of the dimensions of ours, there is only one possible way of reaching each man with an idea at one and the same time. That is through the printing press."

This aim was accomplished, he explained, "by the very simple device of making the company's national advertising and sales literature a definite part of the agent's sales process. We put the agent straight into the advertising picture, showed him it could go to work for him to produce more sales along the lines of the single needs selling procedure."

National advertising for the company in 1938 was introduced featuring the "selective security policy" and advising the agent to continue with the use of the original selling kit. A new kit "Six Simple Steps to Selling Readjustment Plans" was then presented, and followed by national advertising on it. "In order to make these kits doubly effective, we stagger our advertising over a two or three months' period so that at all times during the campaign the agent can point to a current appearance of the advertisement."

Put Agent Into the Picture

"Not through our advertising alone, but through the promotion we have given to it, we think we have effectively put the agent into the national advertising picture. We are just optimistic enough to think that we have taken a step toward getting the agent to talk in terms of people, instead of in terms of life insurance." The sales talks and literature, he concluded, designed to avoid the pitfalls of trade lingo, help to strengthen the agent's presentation "in terms of human beings and not dollar signs."

"I have always felt that the agency supervisor is the last link in the chain between the home office and the field representative," Richard E. Pille, agency supervisor of the John M. Fraser agency in New York for Connecticut Mutual, asserted.

"It is his job," he said, "to put into action the ideas and material contrib-

uted by the home office and general agents. Unless he is sold on the worth of these ideas or material, his men will not be sold on them. Once sold, his job is to make clear what is available, show how it is to be used and get it into practical use. This is particularly true of sales promotion material."

Charted Sales Literature

"What piece of literature should we use?" he asked. "Because of the wealth of sales material available, it is difficult to use or even to remember the most efficient sales aid for a particular case. It is the old story that men's decisions are influenced through the eye as well as the ear. To overlook that truth in the insurance business is to lose hundreds of commission dollars. To misuse or fail to use a company's sales literature means our share in that loss."

"We were confused in our agency until we charted all our company's sales literature, fitting each piece into its proper place in the sales process. The result was a revelation. Each article has a unique use in our dealings with prospective clients. Each article seems intended to assist us in one of five separate phases of our work: Prestige building, which we know to be essential both for ourselves and for our company; prospecting, which we know to be the keystone of our insurance career. We must supplement personal prospecting with direct mail on a systematic, lead-getting basis, to furnish leads to act as a tonic and to keep ourselves prospect-conscious; pre-approach, which we know in some cases to be advisable to simplify and strengthen the approach; presentation, which we know must be effective orally and in visual form to impress the client with the urgency and importance of his problems; pursuit, which we know means follow-up and what we must do or lose that prospect who will 'think it over' in spite of what we say in the interview."

Successful use of sales material by a veteran salesman or by the supervisor will usually sell the material to the older agents. The introduction of new or revised material is usually handled through agency meetings, he said, designed to show the practical use of the material. In some cases, he said, a contest using the material has given excellent results.

Attendance Set Record

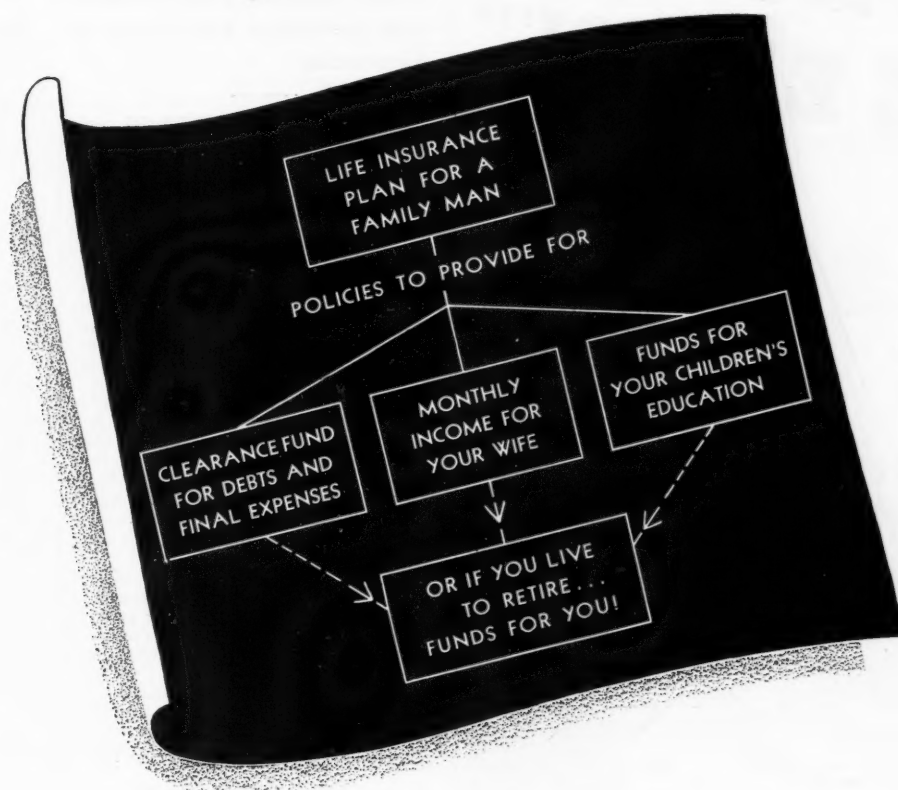
A record attendance marked the meeting of the round table. President C. T. Steven, advertising manager Phoenix Mutual, reported a 50 percent gain in membership since 1933. The report of a committee headed by Arthur H. Reddall, Equitable Society, showed that the amount of claims paid by insurance companies last year through deaths resulting from automobile accidents amounted to \$40,000,000 in the United States, and \$1,500,000 in Canada. Mr. Steven stated that the committee appointed to make a survey showing the scope, effectiveness and value of the insurance trade press to life companies will make a full report at the fall meeting in Atlantic City.

Roy Berger, Connecticut Mutual, was in charge of the meeting and presented Miss Mary F. Barger, manager sales planning Penn Mutual, who spoke on "Promoting the Use of Sales Promotion Material." Miss Barger stated that better results are obtained in direct mail if it is made as individual as possible for the agent whose own ideas may be more effective for him than those of the home office. Mr. Pille was the next speaker.

Jerome Young Gives Ideas

"The Value of Insurance Is in the Sale and Not the Dictating of the Sale" said Jerome Young, Monarch Life, in leading off the discussion in the open forum on new angles on the use and purpose of sales material. It is the agent who brings in the premium income, said Mr. Young. The success with which the agent uses sales material is governed by the extent of training given him in using it by the company. "Inflate your agent, don't deflate him. Make him

(CONTINUED ON PAGE 24)



Design for Security

LIKE the architect who designs your house and works out the specifications with a view to strength, comfort and convenience, a New York Life representative may be able to suggest a plan and specifications for your life insurance policies to give you greater satisfaction and peace of mind.

In developing a plan to carry out your wishes more definitely, you and he would probably raise certain questions: Exactly what do you want your insurance policies to do? In event of your death, how much should be paid in cash? How much in income for your family?

How much should be set aside for your children's education? Or, if you should live to retire, how much would your present policies be worth to you in cash or income at, say, age 65?

After such a review, you may, perhaps, feel that your present insurance is inadequate for some of the purposes you have in mind. Or you may discover that some important need has been overlooked entirely.

In taking additional insurance, you will naturally want a policy best suited to the purpose you have in view. For example, a Family Income policy may be desirable if you have young

children and want additional monthly income protection while they are growing up. Or, an Annuity Endowment policy may be advisable if you wish to lay greater emphasis upon a provision for your retirement income.

A competent New York Life agent will be glad to help you work out a "design for security" suited to your needs. You may have this valuable service without any obligation to purchase new insurance. If you are not acquainted with the New York Life representative in your community, write to the Home Office at the address below.

SAFETY IS ALWAYS THE FIRST CONSIDERATION...NOTHING ELSE IS SO IMPORTANT

NEW YORK LIFE INSURANCE COMPANY

A Mutual Company founded on April 12, 1845

THOMAS A. BUCKNER, *Chairman of the Board*

51 MADISON AVENUE, NEW YORK, N. Y.

ALFRED L. AIKEN, *President*

"THE PROOF IS IN THE EATING"



HERE'S WHY BMA SALESMEN ARE CELEBRATING IN JUNE

Yes, BMA salesmen in thirty states and the District of Columbia have two reasons to celebrate this June.

First, the Company completes its 29th anniversary.

Second, they have demonstrated their ability to sell **COMPLETE PROTECTION** by producing an ever increasing volume of business.

No wonder then that BMA salesmen are enjoying "the eatin'" of BMA's 29th anniversary "cake." They have found it to their advantage to provide prospects with **COMPLETE PROTECTION**—which includes Accident, Health and Life Insurance.

BUSINESS MEN'S ASSURANCE CO.

KANSAS CITY, MO.

American National Rally of Agents Is Impressive

Some Thousand Field Workers
and Supervisors Are Present at
Convention

By FRED B. HUMPHREY

Officials, general agents and managers of the American National Life of Galveston, Tex., were pushed into the background at the general agency convention held in the home office city, for the only speakers were the agents themselves, the men on the firing line who know conditions at first hand. About 1,000 general agents and managers of the ordinary department and superintendents, assistant superintendents and agents of the industrial department who had qualified by their production records, attended.

F. S. Anderson, general counsel, in his address of welcome said the agents had been brought in as the result of their good work, were there for a good time primarily and so but one day of business sessions would be held, the other two days being for entertainment.

Ordinary Department Meeting

Managers and general agents of the ordinary department held a get together meeting at the convention. New officers of the Anico Club, selected on the basis of their paid for business, were announced as: President, D. W. Cunningham, Houston; first vice-president, W. E. Crain, Bogalusa, La.; second vice-president, L. A. Quan, San Francisco; third vice-president, L. C. Christopher, Garland, Utah.

A. C. ("Tex.") Bayless, general agent Southland Life, Houston, was a guest speaker. He advised all the agents to subscribe to the better insurance journals, the "Diamond Life Bulletin" service, and other books and literature devoted to insurance. He advised sending personal birthday letters rather than birthday cards, calling on policyholders when they are ill and getting out earlier and working later than competitors. Mr. Bayless also said they should take an active part in civic life which is a great help in selling life insurance. He stressed that the agent who impresses on his prospect that the call is made at that particular time for a particular purpose goes farther than the one who acts as if his call were incidental.

B. Werkenthin's Address

One of the outstanding addresses was by B. Werkenthin, vice-president, on "The Inescapable Responsibility upon the Business of Life Insurance." The institution has the great beauty of bringing the nation to the point of economic independence for the individual through the homely route of frugality, thrift and foresight, he said. Much of this responsibility lies with the men in the field who must carry the message of peace in old age and comfort with wholesome self-respect, rather than dubious aid from the public treasury.

"Yours is the job to tell the story that a man need not be ashamed to die, and to point the way to honorable subsistence for his dependents, free from the dangers of being a public charge," he said. "Yours is the opportunity to prove to the world that there are ways to private competence and that private enterprise can perform adequately the functions necessary to maintenance of private initiative and endeavor. Yours is the duty, born of the opportunity to be the bulwark against further invasion into this domain of the insidious influence of enervating paternalism."

Honest Self Help Strengthens

"This institution of which we are a part must be able to carry conviction with it that what it has taught through the years must be true, that honest self-help makes a nation strong and that a weak people is bred by an indulgent

(CONTINUED ON PAGE 26)

Home Life April Figures Show the Effects of Method

What happens when an agency force is encouraged to follow sales methods consistently that will increase average unit sale is seen in figures released by the Home Life of New York, one of the first companies to inaugurate a long-term program with the object of increasing the quality of its new business.

A review of paid-for business in April has been contrasted with business produced four years ago when Home Life first began its quality campaign. Results can best be seen in contrasting averages.

Fifty-eight percent of the policies in April, 1938, were in amounts of \$5,000 or more. The average unit sale was \$5,311. In 1933, the average unit sale was \$3,389 and 38 percent of the policies at that time were under \$2,000 in amount. Today, on the basis of April figures, the less-than-\$2,000 sale amounts to but 23 percent of the total sales.

What type of prospect is it who thus contributes to quality business? April figures disclose the fact that four out of every five applicants for insurance in the Home Life are professional and business executives and top-ranking salaried employees. Of the business sold four years ago, 38 percent was settled for on a quarterly basis. Currently only 28 percent of the business is settled for quarterly—51 percent is settled annually and 21 percent semi-annually.

The Home Life has concluded that to achieve the most favorable results it must concentrate and specialize in a type of prospect from occupational and economic levels who is able to buy in larger amounts.

Map Milwaukee Convention

Northwestern Mutual Agency Rally
to Consist of Three Full and Varied
Days, July 25-27

The annual agency convention of Northwestern Mutual Life will be held in Milwaukee, July 25-27. On the first day there will be a dramatized presentation of company and association honor men and leaders. President M. J. Cleary will give an address. There will be a luncheon the first day for agents attending the annual meeting for the first time. In the afternoon there will be six successful agents discussing "Here Is My Idea."

Paul O. Farrel of the Realsilk Company will bring a message on salesmanship. On the morning of July 26, there will be four outstanding talks by producers including Messrs. Mage of California, Work of Michigan and Earley of New York. In the afternoon Nathaniel Seefurth, tax and insurance adviser, Chicago, will give an address. The company banquet will be held in the evening. On the morning of the last day there will be a special message from the big club and the C. L. U. round table. Grant L. Hill, superintendent of agents, will give an inspirational address.

Tax Bills in Ohio

COLUMBUS, O.—Bills introduced in the Ohio senate and house would permit every city council in Ohio to tax any branch of business, including insurance companies and insurance agencies. These bills have been given much support. Insurance men are inclined to view the taxation situation in Ohio with alarm, due to the demands for money for relief purposes.

A bill has been introduced in the Ohio senate setting a 5 percent tax on income from all evidences of indebtedness held by banks, building and loan associations and insurance companies. The revenues would be used for poor relief.

Bank Official, as Policyholder, Asks Mystery Removal

Cites \$400 Assets Behind \$1,700 Policy as Confusing to Uninformed Public

NEW YORK.—Speaking as a life insurance policyholder J. A. Bower, executive vice-president Chemical Bank & Trust Company, New York City, recommended to the New York City Life Managers Association that life insurance as an institution put across its message to the public in a fashion that the layman can understand and that it refrain from using agents "whose only stock in trade is a knack of gate-crashing and the promiscuous use of names of people who are friends of the prospect."

"Why not say the things that arrest the attention of the policyholder and the prospective policyholder?" he inquired. "Do you think it is impressive to inform the policyholders that there is an average of \$1,700 of insurance per policyholder and \$400 of assets per policyholder? A great many policyholders are uninformed about insurance and interpret literally what they read. Many uninformed may be confused about the \$400 average resources for each \$1,700 of insurance. You may think this illustration is extreme, but do not overlook the fact that most people are familiar only with their own particular callings and any other kind of work or business is Greek to them."

Suggests Home Office Invitation

"Life insurance premiums invariably are an important proportion of a policyholder's annual income and he should receive more recognition. Why not have a life insurance company official acknowledge to each new policyholder the contract written and invite the new client to call some time and meet a designated official of the company and make an inspection trip through the several departments of the institution? Would it not be well to send a similar invitation on some anniversary dates to every policyholder?"

"Would it not be well to make a special effort to get policyholders to attend annual meetings of the life insurance companies so that they hear the results of what has been accomplished for their benefit from the chairmen or the presidents? . . . Perhaps a better way of accomplishing the same thing would be to have the annual proceedings broadcast over a nation-wide hookup and the policyholders invited to listen in."

Ignorance Leads to Doubts

"The lack of knowledge sometimes leads to doubts in the minds of people even to the degree of having them doubt the safety and success of the largest institutions. You must counteract these doubts, not by mere stereotyped answers, but with facts which are understandable, official, and convincing. A large section of the public feels that the business of life insurance is surrounded by mystery and is highly involved. Those impressions should be corrected. Incidentally, this converts these policyholders into being salesmen for you and without any sales expense."

"I believe that whenever a relationship can be developed directly between official management and clients it begets better understanding, increased confidence and results in greater growth. When this feature is ignored, an institution can suffer from prejudiced political viewpoints and from biased criticisms which arise from other sources. These other sources do tell their story in layman's language to the policyholder

and can unsettle his confidence because he has not been specifically encouraged to know the administrative management and be informed about the record and stability of his life insurance company.

"Remember that you are sellers of an intangible thing and that a sale carries with it a promised performance, to be executed in the future. That is quite different from buying an advertised product which you have in hand. The buyer of an intangible thing with a future

promised performance should know that the vendor company will be able to carry out its obligation. When confidence is shaken nationally it develops into a mania of distrust in all the contacts of the buyer because he or some of his friends have not had the promise fulfilled or because the result has been different from what the buyer has been led to believe. Demagoguery information circulates fast and far."

Criticizing the gate-crashing salesman,

Mr. Bower said that the use of a subterfuge solely to gain an interview results in a reaction which is permanently harmful, not only to the agent but to the institution of life insurance. The thinking man, he said, does not buy life insurance because it is offered by a friend of a friend, and life insurance deserves a much better presentation.

"I believe that when life insurance is clearly presented to the public as to its

(CONTINUED ON PAGE 25)

ARE YOU READY?

for an Agency of your own with a 32-year-old Company bearing an enviable reputation for square-dealing with policyowners and representatives? Refer to Best's Reports, Little Gem, Flitcraft's Compend or any other reference publication for these and other interesting facts:

SURPLUS is one-third higher than average.

TERMINATIONS among the lowest recorded.

INTEREST EARNINGS well above the average.

MORTALITY 40.6% over 32-year period.

DIVIDENDS to policyowners almost equal total death claims.

OPPORTUNITIES AVAILABLE IN:

ILLINOIS

MICHIGAN

PENNSYLVANIA

IOWA

NEW JERSEY

VIRGINIA

KENTUCKY

NORTH CAROLINA

WEST VIRGINIA

MIDLAND MUTUAL LIFE INSURANCE COMPANY

COLUMBUS, OHIO

In the Spring the Young Man's Fancy

Seldom Turns to Life Insurance.

But in the Fall, The Old Man's Thoughts

Always Turn to Life Insurance.



Now

Nearly 3,000,000 Policies

and

Over \$600,000,000
Life Insurance in Force

**The NATIONAL LIFE AND
ACCIDENT Insurance Co., Inc.**



HOME OFFICE, National Building, NASHVILLE, TENN.
C. A. CRAIG, Chairman of the Board, W. R. WILLS, President



THE SHIELD
COMPANY

Medical Section Program for Meeting at Asheville

Risk Pickers of American Life Convention Pick Out Problems for Discussion

The complete program for the annual meeting of the medical section of the American Life Convention to be held June 16-18, inclusive, in Grove Park Inn, Asheville, N. C., is announced by Col. C. B. Robbins, manager and general counsel. The program this year was prepared by Dr. Maurice B. Bender, medical director of the Guardian Life of New York. Heavy advance registration indicates this will be a large gathering, with many medical officers and other officials of non-member companies as guests and taking part in the program and discussions.

Dr. W. E. Thornton, second vice-president and medical director of the Lincoln National Life, the chairman, will preside, assisted by Dr. B. F. Byrd, assistant medical director of the National Life & Accident. Dr. A. E. Johann, medical director of the Bankers Life of Iowa, Des Moines, the vice-chairman, also will assist. The program follows:

Thursday, June 16

Address of welcome, Clyde Hoey, governor of North Carolina.

Greetings, Harry R. Wilson, president American Life Convention; Col. C. B. Robbins, manager and general counsel A. L. C., and Dr. S. B. Scholz, Jr., president Association of Life Insurance Medical Directors.

Announcements, Chairman Thornton and Dr. Henry Wireman Cook, vice-president and medical director Northwestern National Life, chairman of the golf tournament.

Appointment of nominating committee. Chairman's address.

"Diabetes and Bright's Disease as Selection Problems," Dr. William G. Exton, director laboratory and longevity service, Prudential, Newark.

"Factors in Prognosis and Mortality of Gall Bladder Disease," Dr. Warren H. Cole, medical department University of Illinois, Chicago.

Dr. John E. Boland, medical director Country Life, and Dr. W. A. Jaquith, medical director Columbus Mutual Life, will lead the discussion on Dr. Cole's paper.

Friday, June 17

Annual business meeting. Closed session.

Open session.
"Southern Mortality," A. J. Koeppe, assistant actuary Union Central.

Discussion, Dr. William Muhlberg, medical director Union Central.

"Non-Tubercular Pulmonary Condition," Dr. G. G. Ornstein, associate clinical professor of medicine Columbia University, New York City.

Discussion, Dr. Verne S. Caviness, medical director Occidental Life, Raleigh, N. C., and Dr. A. R. Stone, medical director Midland Mutual Life.

"Some Aspects of Blood Pressure," Dr. C. C. Birchard, chief medical officer Sun Life of Canada.

Discussion, Dr. N. J. Barker, assistant medical director Connecticut General, and Dr. H. B. Brown, assistant medical director Massachusetts Mutual.

Saturday, June 18

"Habits," W. H. Dallas, vice-president Aetna Life.

Discussion, Dr. H. W. Crawford, medical director Columbus National.

"Prognosis of Properly Treated Syphilis," Dr. Albert E. Russell, assistant surgeon general United States Public Health Service, Washington, D. C.

Discussion, Dr. F. T. Hallam, assistant medical director State Life, Indiana, and Dr. Joseph Travenick, Jr., medical director Life & Casualty.

The annual golf tournament under direction of Dr. Cook, with a number of fine prizes, will be held, with qualifying round one day and final round the next. Another entertainment feature will be the dinner-dance. Sight-seeing trips in the Blue Ridge mountains and tours of

Henry Schoch Sponsored for National Trustee



HENRY K. SCHOCH

The Qualified Life Underwriters Association of Detroit is endorsing Henry K. Schoch for trustee National Association of Life Underwriters in the coming elections. E. W. Owen, Detroit, feels younger men in the National association should be recognized, and so refused to allow his name to be used again as candidate for reelection as trustee.

Mr. Schoch, Detroit general agent Aetna Life, is a native of Pennsylvania and graduate of Susquehanna University, class of 1909. Prior to entering life insurance work in 1924, he was engaged in chemical and sales engineering and in organization and promotion of business enterprises. During the world war he was retained by the U. S. bureau of standards for research work on helium gas.

He has been connected with the Aetna Life for 13 years, in 1928 being appointed general agent in Boston, and in 1930 Detroit general agent.

Active in Associations

He has been active in local and national association affairs. He is past president Life General Agents & Managers Association and vice-president Qualified Life Underwriters, Detroit. He is a member of the executive committee of the general agents and managers division of the National association and has been national committeeman from Detroit for five years.

Formerly he was closely associated with Dr. C. J. Rockwell in training schools, and he has been deeply interested in educational phase of our business. He has acquired a national reputation as a "business man" general agent due to his careful study of agency finances and management.

Hay Withdraws Candidacy in National Trustee Race

Sam R. Hay, Jr., agency director in Houston for Great Southern Life, has withdrawn as a candidate for trustee of the National Association of Life Underwriters. It is doubtful if Texas will have a candidate this year. A boom was started for O. D. Douglas, Lincoln National Life, San Antonio, but he called that movement off. There was something of a mixup in Texas from the political standpoint.

Asheville are planned, and also various entertainment features for the visiting ladies.

Miss Vivian Shepperson, southwest branch auditor of the Aetna Mutual Life, has completed a tour of the Oklahoma, Louisiana and Texas agencies.

Life Insurance Idea Must Be Sold to Every Generation

President Parkinson Speaks to Equitable Men at Meeting Honoring Him in Philadelphia

Close to 400 Equitable representatives in the Philadelphia area welcomed Thomas I. Parkinson to the city of his birth at a luncheon in the Penn Athletic Club last week. Mr. Parkinson, the only speaker, made a stirring address in which he discussed many phases of life insurance and emphasized service to policyholders and the public as the underwriter's most important obligation.

Mr. Parkinson was accompanied to Philadelphia by Vice-President William J. Graham and Arthur P. Carroll, assistant secretary. Prior to the luncheon the president's party made a general inspection of the society's new agency offices in Philadelphia (nearing completion) which shows a fine new lineup and were enthusiastically approved by the managers and agents.

Melville P. Dickenson, agency assistant and acting agency manager, presided at the luncheon and introduced several prominent guests. Seated at the speakers' table were: Alfred B. Levy, Emmet J. Murphy and Maurice Mitnick, Philadelphia agency managers; Alvin B. Dalager, Wilmington manager; W. Paul Diehl, Allentown manager, and Carleton Kelsey, commander Philadelphia Post Equitable Veteran Legion.

Widespread Demand for Protection

Mr. Parkinson opened his address by saying that the public knows it needs the protection the institution of life insurance gives and that there is a widespread demand to know more about its services. He pointed out that the life insurance business needs to be "resold" to the public every generation or so and that this had been effectively done after the 1905-07 investigation and again after the issuance of the war risk insurance and the widespread influenza epidemics. With this thought in mind, he suggested more emphasis on fundamentals which those in the business take for granted but which are not so well known to a new generation. In this connection he cited the need to explain just what level-premium insurance is and means and its great advantages to a policyholder in a great mutual institution.

As a demonstration of appreciation, underwriters in the Philadelphia area wrote 557 applications for \$3,060,775 of insurance in the 16-day interval between May 9, when President Parkinson's Philadelphia visit was announced, and May 25, when it took place. Nine group applications were written also.

High honors went to the Alfred B. Levy agency with 225 applications for \$971,384. Every one of the 50 underwriters in Mr. Levy's agency produced at least one application. The individual leader in applications was Si Shiekman of the Levy agency with 21½ applications for \$146,500. The volume leader was James K. Titlow of the Diehl agency with 3 contracts for \$190,373, all paid for.

Must Secure Certificate

GRAND ISLAND, NEB.—District Judge Kroger, overruling objections entered by an attorney for the Colonial Benefit to his jurisdiction over an action pending in his court, holds that where a non-admitted company which uses the mails to sell policies in the state has failed to obey that provision of the law which requires the appointment of the state insurance department as its agent upon whom service can be had in court actions, service upon the department will be sufficient to give Nebraska courts jurisdiction. Failure to comply with the requirement will not render such service void. The law was passed in 1935, and

while it does not specifically mention non-admitted companies it provides that any foreign or alien insurance company, before doing business in the state, must procure a certificate of authority and make written appointment of the director as agent upon whom processes may be served, and it was argued that it applied only to companies desiring licenses.

Greenfield Now in Charge

ATLANTA—J. C. Greenfield of Richmond, Va., has removed to this city and is now in charge of this territory for the Provident Mutual. W. W. Daniel former manager, remains as agent, with offices in the Grant building.

Mr. Greenfield lived in Atlanta three or four years ago, and represented the Massachusetts Mutual here, removing to Richmond and remaining in that city until a few weeks ago.

Southland Men Advanced

Promotion of three Southland Life officials is announced. Paul V. Montgomery, actuary, is made vice-president and actuary; Col. W. E. Talbot, agency director, is elected vice-president and agency director and W. C. McCord, formerly secretary, is made secretary-treasurer.

Accounting and Statistical Association Annual Meeting

SPRINGFIELD, ILL.—Thirty companies participated in the 17th annual conference of the Insurance Accounting and Statistical Association at the home office of the Franklin Life here. The association was founded ten years ago by a small group of Illinois companies to promote the exchange of ideas on application of punched cards to insurance accounting and statistical procedures.

The conference was a two-day session with the first morning's discussion devoted mainly to "Agency Statistics Through the Use of Punched Cards." The welcoming address was delivered by Henry Abels, vice-president of the Franklin Life. E. M. Karmann, comptroller American United Life, gave a short ten-year history of the association. Donald Schonberg, statistician United Benefit Life; Edward Buddenbaum, assistant actuary Indianapolis Life, and C. S. Collins, tabulating supervisor Penn Mutual Life, gave results of the use of punched cards as pertaining to their particular company.

The following papers were delivered in the afternoon: "The Use of Punched Cards in Connection with the Issue of Policies," George Westermann, statisti-

cian Alliance Life; "A System for Handling Annuities on Punched Cards," Al Vanselow, Franklin Life; "Facilitating Collection of Monthly Premiums through the Use of Punched Cards," S. M. Breadheft, statistician American United Life. A visit was made to the offices of the Franklin Life with inspection of the tabulating department. Music and entertainment was provided at a dinner.

The morning of the second day was given over to an open forum meeting on "Improving the Efficiency of the Tabulating Department" directed by Charles Carrell, tabulating supervisor Lincoln National Life. A golf match was held in the afternoon.

Appreciate Adelphia Hotel

Many insurance men find it very convenient to stop at the Hotel Adelphia when in Philadelphia. It is convenient to all parts of downtown Philadelphia. The hotel has all facilities for banquets, conventions, conferences and meetings.

May Cover Auto Union

Negotiations are on between the Reserve Loan Life and the United Automobile Workers of America, C. I. O. union, for group coverage on union members. The union has a membership of about 400,000.

The Penny Bank Is Gone! But the Idea Lingers On

Remember the penny bank you had as a youngster? Perhaps you had one called "Jonah and the Whale" or a "China Pig."

They are collectors' items today but some years ago they were considered essentials in almost every household. With them Junior was taught THRIFT and was encouraged to save his pennies for the future.

The penny bank is gone but the idea lingers on. Today, LIFE INSURANCE-JUVENILE POLICIES provide a safer, surer way of being certain that boys and girls will have the things that parents dream of.

FOREMOST in the field of JUVENILE INSURANCE stands the BERKSHIRE LIFE INSURANCE COMPANY.

"ASK ANY BERKSHIRE AGENT"

BERKSHIRE LIFE INSURANCE COMPANY

(INCORPORATED 1851)

PITTSFIELD, MASS.

FRED H. RHODES, President

Connecticut Mutual Names Power in San Francisco

William V. Power has been appointed general agent of the Connecticut Mutual Life in San Francisco, succeeding Ben F. Shapro, resigned. Mr. Power, who is only 30, will be the youngest general agent in San Francisco. An honor graduate of the University of California in 1930, he entered life insurance with the John Hancock Mutual under Karl Brackett and was the agency's leading producer for two years there. In 1932 he went with the Aetna Life, a few months later becoming associate general agent, which position he leaves to take the Connecticut Mutual post.

He has been consistently a leading producer since entering the business, in addition to recruiting and training many young men.

Gridley Succeeds Camps As Boston Association Head

BOSTON.—General Agent J. V. Gridley of the Connecticut General Life has been named president of the Boston General Agents & Life Managers Association to fill out the unexpired term of Manuel Camps, Jr., who goes to New York for the John Hancock. Announcement of the appointment was made at the annual outing of the general agents association at Oyster Harbors, Mass.

Carlough Made Supervisor

NEWARK, N. J.—L. D. Day, general agent for Mutual Benefit Life, has announced the appointment of E. D. Carlough, Jr., as a supervisor. He has been affiliated with the agency for a number of years.

Bowen Favors \$15 Per Day Top for Examiners

Would Approve Sustainance Allowance of \$7 or \$8 a Day, Plus Transportation

Superintendent Bowen of Ohio has come out in favor of a per diem of not exceeding \$15 for examiners participating in convention examinations of companies with sustainance allowance of \$7 or \$8 a day, plus transportation. Such a scale is embraced in the amendment to the by-laws that Commissioner Pew of Iowa will submit at the annual meeting of the National Association of Insurance Commissioners in Quebec. Mr. Pew's amendment would provide for \$25 a day payment to actuaries participating in life company examinations. The examiners, according to Mr. Bowen, should be full time employees of their department. The \$15 scale, he believes, is ample to obtain first-class talent.

Mr. Bowen is in favor of states other than the domiciliary states participating in the examination. "Perhaps the laws of some states may need amending to make provision for this and it seems to me that this should be done, if so indicated," he states.

The committee on laws of the National Board of Fire Underwriters at its annual meeting in New York had this to say concerning the examination controversy:

"There is much to be deplored in the conflict growing out of the attitude of the various commissioners in respect of company examinations. This arises from a reluctance on the part of a great many commissioners to accept examinations of the state in which the company is organized, or in which it has its principal place of business. Unless some solution can be mutually agreed upon between these conflicting elements, the result will inevitably be an increase in cost to the companies, as well as the confusion incident to examination procedure arising from unnecessary duplication. We sincerely trust that the matter can be amicably adjusted without undue friction, since cooperation and uniformity of treatment between the supervising officials of the several states is an imperative necessity in the handling of the major problems dealing with a business so comprehensive in its ramifications as insurance."

Holmes Tells Attitude

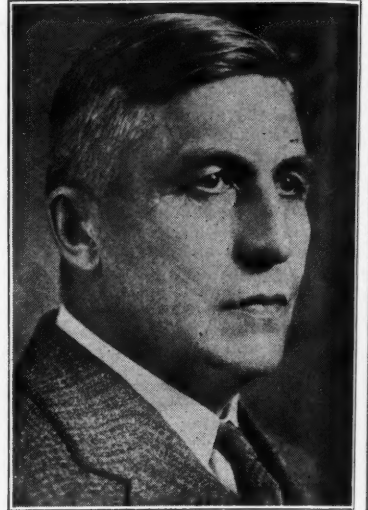
Commissioner Holmes of Montana has issued a statement giving his attitude on the company examination question. He expresses the hope that the question of company examination will be determined definitely at the Quebec convention. Referring to the position of the New York department that it will not permit commissioners of other states to join in examinations conducted under the New York law, Mr. Holmes states: "I do know that no state will enter into the Quebec convention with the intention of becoming subservient to any other state."

"In my opinion," he said, "a state commissioner who blocks the efforts of other state commissioners to comply with their statutory duties, is only embarrassing the companies domiciled in his state, but licensed to do business in the other states."

Allocation of Premiums

Mr. Holmes said he has every reason to believe that the companies are not properly allocating premiums to his state and that Montana is losing premium taxes thereby. He said non-resident brokers are handling Montana risks and that such premiums are not allocated to Montana for tax purposes. Mr. Holmes said that he is obligated to investigate such matters as well as to see that companies licensed in Montana are not financially impaired. Montana, he said, is not subservient to the laws

Presents Paper at Life Counsel Meeting



T. H. TANGEMAN, Columbus, O.

T. H. Tangeman of the Columbus Mutual Life presented a valuable paper at the mid-year meeting of the Association of Life Insurance Counsel at Hot Springs dealing with some fundamental principles relating to the application of dividends. Mr. Tangeman is a very sound and analytical thinker. He was formerly director of trade and commerce of Ohio.

of New York. The latter state, he declared, is not empowered to legislate for the other states. Although in the past there may have been abuses in the examinations, it is not for the commissioner of any one state, Mr. Holmes said, to attempt to purge the system of abuses by setting himself up as a dictator over the other states which are free to exercise sovereign power.

The abuses can be amicably eliminated through the National Association of Insurance Commissioners, he said.

The National Association of Insurance Agents has appointed a committee of three to study the controversy in connection with company examinations. This was done in line with the statement issued by the executive committee of that organization at its recent midyear meeting. One of the members from the committee is from California, the largest state affected by the conditions on the west coast; one is from Wyoming, whose commissioner issued the ultimatum to New York state and the third is from New York.

Young in St. Louis Post

Pearce H. Young, recently appointed general agent of the Minnesota Mutual Life, has opened quarters at 811 Mississippi Valley Trust Company building, St. Louis. He represented the Connecticut Mutual Life there prior to 1922 and then went with the Missouri State Life. He joined the Life Insurance Sales Research Bureau in 1930 and from 1931 to 1933 was superintendent of agencies for the Central Life of Iowa. From 1933 until his connection with the Minnesota Mutual Life he was with the Union Central Life, for a year as manager at Indianapolis and then with the St. Louis office.

A delegation of Denver agents of the New York Life motored to Oklahoma City to celebrate E. G. Bewley's 40th anniversary in that city. There were two sets of winners in the southwestern and great western division contest for business written and settled, who were entitled to visit the Oklahoma agency. They were Paul Treat, J. E. Robinson and Dayton Adams of the Denver office, and Thomas Lappan of Laramie, Wyo.



An Ancient Vehicle— An Ancient Point of View

The idea that one can afford individually to assume the risk of accident is as outmoded as the horse and buggy days. Made so by a yearly toll of over a million traffic accidents. Made so by ten million accidents per year of all types.

Today men know they need accident insurance. Faced with the facts regarding accident costs, they want always more accident insurance — for themselves, their wives, their "accident-prone" young people.

Expense reimbursement anyway, weekly income if dependent on earnings, death benefit maybe. Whatever the situation, well equipped accident insurance salesmen have a plan that fits.

**Connecticut General
Life Insurance Company**
Hartford, Conn.

Commissioner George Bowles of Virginia Is Honored by Agents and Executives

RICHMOND, VA.—So much praise was heaped on George A. Bowles, Virginia commissioner and president of the National Association of Insurance Commissioners, at a testimonial dinner here in commemoration of his service that he said he wondered, in expressing gratitude, whether the speakers had not confused the name of George Bowles with



GEORGE A. BOWLES

that of George Washington. The dinner, sponsored by the Virginia Association of Insurance Agents, was attended by upward of 200 agents, specials and company executives. W. Owen Wilson, past president of both the Virginia and National associations, was toastmaster, while J. Davis Ewell, president Virginia association, was presiding officer. To Roger Clarke of Fredericksburg, a past president of the Virginia association, fell the honor of presenting Commissioner Bowles a punch bowl.

All Lines Represented

Bradford H. Walker, president Life of Virginia, spoke in behalf of the life companies. Other tributes were paid Commissioner Bowles by Ray Murphy, assistant manager Association of Casualty & Surety Executives, in behalf of the casualty companies; Harold V. Smith, president Home of New York, in behalf of the fire companies; Jesse S. Phillips, former New York commissioner and now chairman of the board of the Great American Indemnity, for the surety companies; and Superintendent Pink of New York, for the National Association of Insurance Commissioners.

Mr. Phillips recalled that it was in Richmond 22 years ago that he was elected president of the National Convention of Insurance Commissioners. He referred to Colonel Joseph Button, host of the 1916 convention, as a commissioner who became a national figure in supervision, and said that Virginia was fortunate in having men like Colonel Button and its present commissioner as supervisors of insurance. Mr. Phillips pinch hit for Vincent Cullen, president National Surety, who was unable to make the trip to Richmond.

Colonel Button, seated in the audience, was called to the platform and made a few remarks recalling some of his experiences during the 23 years he served as Virginia commissioner. He is now secretary-manager of the Stock Company Association in Washington.

Thomas W. Ozlin, chairman state corporation commission, praised Commissioner Bowles.

Getting the maximum value out of life insurance was discussed by George McClung, Milwaukee, supervisor for the Aetna Life, at the meeting of the Kiwanis club of Kenosha, Wis.

Industrial Sales Conference

Leaders Gather at Philadelphia to Celebrate Pennsylvania Insurance Days Under Federation Auspices

PHILADELPHIA—Close to 400 men and women attended the industrial life, health and accident sales congress of Pennsylvania Insurance Days. Chairman was E. R. Deaver, president of the Philadelphia Health & Accident Alliance. Feature speaker was Zenn Kauffman, author, who told how showmanship could be applied to selling. Showmanship, he said, instead of being always flamboyant and circusy, frequently was subtle and indirect in its appeal.

"The same things that cause box office lines will get signatures on dotted lines," he declared. "There is only one hero in any show—and that hero is the spectator. Similarly, in selling, there is only one hero in any sale—and that hero is the prospect or buyer."

"Doing a little bit better" was offered by A. D. Cooley, Industrial Life, as a success formula. "The formula works," he said. "These men will succeed when they realize that the extra effort needed for five more interviews per week is a cheap price for success."

Other speakers were H. J. Bryner, Progressive Life; W. K. Smith, Provident Industrial Life, Health & Accident; A. J. Fowler, Superior Life, Health & Accident; C. E. Cooper, Philadelphia Mutual Aid; G. P. Mulholland, Equitable Beneficial Mutual Life, and Guy C. Bracken, Philanthropic Mutual Life.

Arkansas State Meeting

Hugh D. Hart, Agency Director of the Pyramid Life, Is One of the Chief Speakers

LITTLE ROCK, ARK.—"Life insurance and the government were the great institutions of society which came to the support of the American people in their time of distress," Hugh D. Hart, Little Rock, agency director of the Pyramid Life, told the Arkansas State Life Underwriters Association at a one-day sales congress.

"To the extent of approximately \$19,000,000,000 the government paid out its wealth to save the country and to the extent of about \$19,000,000,000 life insurance came to the aid of our distressed citizens. We have heard a great deal said about the enormous sums that the government had paid in various forms to tide the American people through the great crisis, but we have not heard any very widespread acclaim accorded life insurance for what it did and yet it did approximately the same."

Other Speakers

Gale F. Johnston of St. Louis, divisional group sales manager of the Metropolitan Life; Henry O'Neal of Shreveport, La., manager of the Mutual Life of New York; Jack Lauer of Cincinnati, chairman of the Million Dollar Round Table; and H. G. Hewitt of Houston, manager of the Northwestern National Life, were the out-of-town speakers.

"George Vinsonhaler, Little Rock, was elected president; Stanley Johnston, Fort Smith, first vice-president; J. A. McLeod, Pine Bluff, second vice-president, and E. B. Schnicker, Little Rock, secretary-treasurer.

Clyde E. Lowry presided at the morning session. Welcome was extended by F. A. Vineyard, president of the Little Rock body. Speakers were Mr. Johnston, on "Winning Public Friendship," and Mr. O'Neal, on "Twenty-five years of Service as a Field Man." Mr. Lauer, who has produced more than \$1,000,000 of life insurance each year since 1923, referred the underwriters to a motto that he coined, "Do the things you do not want to do," in discussing "What Is the Difference."

He told the group that \$1,000,000 pro-

ducers have no shortcuts. They follow the same steps of all underwriters namely, prospecting, approach, creating interest, knowledge of the business, closing and servicing after the sale.

Foster Vineyard presided at the afternoon session, and L. L. Arnold, who retired as state president, presided at the business session.

Indiana Officials in Texas

DALLAS—E. B. Raub, president Indianapolis Life, met with the agents of the Dallas territory. He visited other centers in the state to discuss plans for the year. Mr. Raub said the Dallas agency is leading all units in production of business and that he believes Texas will continue to be a bright spot on the nation's business map for all 1938.

R. E. Sweeney, president of the State Life of Indiana, paid visits to the leading agency plants in Texas. At Dallas he conferred with W. A. Rinker, general agent and his force. He was ac-

companied to Texas by W. M. Morris, actuary, and F. T. Hallam, associate medical director.

Worsham Has New Book

In September, Harper & Brothers will publish "The Art of Persuading People," the author of which is James A. Worsham of St. Louis, who has made numerous appearances before life underwriters' associations. He is the author of "Low Pressure Selling."

Abraham Goldstein of Hartford, Conn., general agent for the Bankers National Life of Montclair, N. J., was tendered a dinner in appreciation of his 25 years of service of the Connecticut Zionists. A new colony is to be founded in Palestine with funds raised by the Connecticut Zionists in honor of Mr. Goldstein, who has been active in the life insurance field for the past 12 years. He ranks seventh in paid for production of all companies in Connecticut.

The Great Southern Keeps Pace as Time Marches On

In the face of the trend for the country as a whole, the Great Southern has, with May, completed its eighth consecutive Record Month. There are many reasons for this steady, solid advance.

FIRST, there is the territory which we serve, the Great Southwest, with its sturdy resistance to any downward trend.

SECOND, there is the company, patronized with increasing faith by the people it serves, because it serves them faithfully.

THIRD,—and most important —Great Southerners are trained solidly and equipped with the most comprehensive line of Participating and Non-participating policies available in any one company. Then, too, they are working for themselves, each with an identical contract direct with the Home Office.



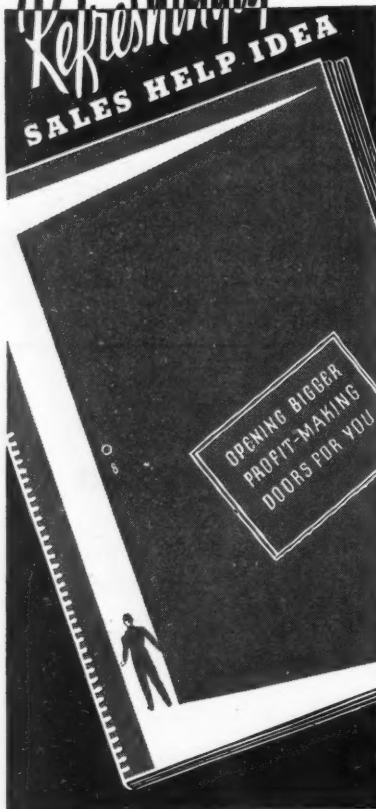
E. P. Greenwood
President

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Home Office

Houston, Texas

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When the office pep talk is over—you are left to shift for prospects without further help from anybody. Prospects don't jump out of side streets at you, waving money in one hand and holding a pen in the other, ready to sign on the dotted line. And they never will, but Commonwealth is launching its new campaign. "Opening Bigger Profit Making Doors For You," to help its salesmen each working day—all day long. It will increase your sales, too, if you are interested in becoming a Commonwealth agent.

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WALTER S. SCHNEITER
AGENCY SECRETARY

COMMONWEALTH
LIFE INSURANCE COMPANY
HOME OFFICE · LOUISVILLE, KENTUCKY

L. O. M. A. Meeting Sets Attendance Mark at Nashville

(CONTINUED FROM PAGE 3)

commissions. When the third monthly premium is received, the company advances two-thirds of the remaining first year commissions, that is the commission on six of the remaining nine monthly premiums.

It is the Midland Mutual's practice to make these advances only to full-time agents and under certain limitations. No advance is made on the insurance written on the agent's own life, nor on the lives of members of his immediate family. Advances may not exceed \$200 in any one month nor will more than \$100 be advanced on insurance on any one life in any period of 12 months. The agent is not permitted to accumulate a debit balance of over \$400, the advances being suspended if the balance should run over that amount.

Can Keep Renewals

As contrasted with the \$10 per \$1,000 advance plan, under which the agent was obliged to return renewals as well as first year commissions, the new plan does not require that the renewal commissions be returned as long as the agent is receiving the advances. Renewals are applied, however, in the event of the termination of the advances for any reason.

In practice, the company makes an agreement with the agent receiving advances, supplemental to his agency contract, outlining the obligations of the company, the general agent and the agent. The agent assumes no responsibility for the repayment of the advances other than from his first year and renewal commissions. The general agent's liability is to return the sub-agent's first year and renewal commissions and if these are insufficient to liquidate the account, to pay one-half of the ultimate loss, the company assuming the remaining one-half.

Procedure on Termination

When the advances terminate for any reason, the company holds the ledger account open until all subsequent first-year premiums have been paid and then make a settlement of any unpaid balance. The agent's renewal commissions on policies on which he receives advances are arbitrarily assumed to have a present value of 20 percent of the yearly premium in force, that is, the equivalent of four renewals of 5 percent each.

If the estimated value of the renewals is more than the balance in the account, the company receives the renewals until the account pays out. If the value of the renewals is less than the balance of the account the company buys the renewals at 20 percent of the yearly premiums in force, applying that amount on the account and the company and the general agent then share any resulting loss equally. The company has not had any losses on any single account as large as \$100 for either the company or the general agent.

Applying Budgetary Control

Speaking on budgetary control of home office operations, F. P. Samford, president Liberty National Life, said that in his opinion the safer policy, at least for the smaller companies is to determine each year the amount of surplus increase desired and then spend whatever is left, after surplus requirements have been met, for the production of new business. This amount of money to be spent in the acquisition of new business should be treated as an expense item and not as an investment, he said.

"It is the job of the agency department to produce the largest amount of the best business possible with the money available," he said. "If the agency department fails to produce the volume and type of business desired, every ef-

fort would be made to improve this condition. There might be a change made in the agent's contract or more money might be provided for supervision but the company would not curtail its expenditures nor increase them to the extent of adversely affecting the surplus increase determined upon in an effort to change the type or volume of business.

Avoids Self-Delusion

"It seems to us that this method avoids the danger of the company spending money for new business and looking upon this expenditure as an investment, the value of which can only be determined by the termination rate to be experienced in future years. If a company invested a part of its surplus or invested all of its profits each year in the production of business which, apparently, was profitable business, it might find itself in difficulties should economic conditions develop that materially increased the lapse ratio and make it impossible for the company to realize upon what it had looked upon as an investment.

"It is, of course, a fact that in order to save business the company must produce a sufficient volume of profitable business and every known test should be, in my opinion, applied to the new business that is being produced to determine whether or not it will be profitable. If these tests convince the management that the type of business being produced currently will not be profitable and, if every effort to change the type of business has failed, than the premium rate should be increased so as to produce the desired results. It would, however, seem to me to be a dangerous policy for the management of a company to decide that the business being produced would be profitable and that, therefore, present profits on old business could be ignored in anticipation of the ultimate return on this new business."

Discussing Mr. Samford's paper, L.

A. Smith, comptroller General American Life, said that his company's final budget estimates follow in identical form that of the operating statement, since it considers that the budgets are the evaluation of the management's plans and that the actual performance compared with the approved budget is an accurate index to management efficiency both in planning and performing.

Social Security Problems

R. T. Arrington, manager actuarial department Life of Virginia, mentioned a few of the many vexing problems continually arising as to the classification of wages and in many instances the question of handling on the company's books after the classification has been determined in the case of social security accounting. One which has endless possibilities for trouble is the fair estimate of all deferred or renewal commissions to be ultimately paid.

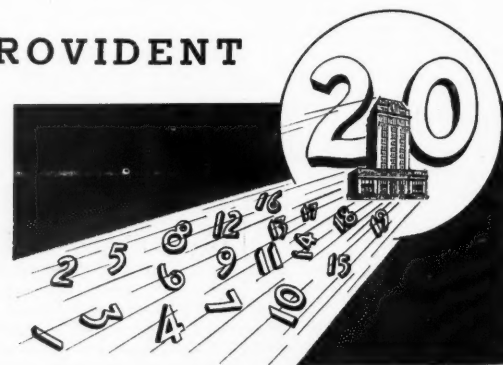
Particularly troublesome, he said, is the classification of deferred first year or renewal commissions paid to former agents after they leave the company. In such cases the Life of Virginia considers the commission as paid in the year of "final" and makes the adjustment of the prior year's earnings when payment was actually made, in spite of the fact that the company considers the corresponding commission of the active agent as earned when paid.

Enumerates Questions

Other questions posed by Mr. Arrington were: Is the commission to follow the agent or the policy as a taxable wage? Suppose the policy is written in North Carolina and the agent is transferred to Michigan, the commission is forfeitable but follows the agent although the premium is credited to the original office. The company considers the commission taxable in the state in which the agent is working when he receives it.

Are commissions received by a retired agent, not as a matter of right but

PROVIDENT



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—There's a reason—

PROVIDENT
Life and Accident
Insurance Company
Chattanooga—Since 1887—Tennessee

gratuitously, taxable. The company does not consider them so.

When does a disabled employee's fixed wage, which is taxable, become a disability wage (gratuitous in most instances) which is non-taxable? The Life of Virginia has taken the position that after the first year of sickness, the employee is no longer subject to employment and therefore payments made thereafter are non-taxable.

When is the money to the agent's credit in the reserve account earned? Since all, or part, or none may be payable to him at final, the company considers it earned as of the date of final and the amount as the balance due when final settlement is made. It estimates this balance at the year-end only.

Despite the added troubles of social security accounting and reporting Mr. Arrington said that "we certainly have social security in part to thank for a much improved ordinary premium accounting system."

Banks Are Cost-Conscious

Kenneth Mullins, assistant secretary Washington National, said that banks are becoming so cost-conscious that accounts for company branch offices involve an almost constant fight to keep costs, due to banks' service charges, within reason unless the company wants to tie up practically all its assets in depository bank accounts. Mr. Mullins said his company avoids service charges as far as it can by endeavoring to reduce the number of withdrawals and other items which cause service charges against accounts and has a deaf ear to all suggestions that larger balances be maintained in order to reduce or do away with service charges.

The Washington National's accounting procedure in handling branch office bank accounts is very simple—"so simple that a C. P. A. would shudder," said Mr. Mullins. Into the bank account go the daily collections of the agents from industrial, casualty, and ordinary business. At the end of the week checks are drawn to the manager, field superintendents, cashiers, clerks and agents for their weekly earnings and the balance, less expenses paid by the district office, is transmitted to the home office with the weekly report. A special set of single entry books reflects the deposits and withdrawals of the industrial branch office bank account. Though the accounts are simple, they enable the traveling auditors to check the office periodically with a minimum of time and effort, Mr. Mullins said.

Home Office Printing Plants

H. P. Farber, secretary Service Life, said that his company has been very well pleased with its home office printing plant, which makes use of offset lithography.

"Probably the most important factor in this entire discussion is the one of appearance of material produced," he said. "The matter of savings established better service rendered and other factors would be of minor, if any, consideration if the finished product failed to measure up to ordinary standards as to appearance. Our experience has been very good in producing jobs that are equal in appearance and quality and in some instances probably superior, to job printing. We are happy with our printing department and expect to continue and improve it as time goes on."

Volume Affects Price Factor

Discussing Mr. Farber's paper, J. Price Murphy, Equitable of Iowa, gave some figures on his company's printing plant and said that while under present conditions the work could probably be done for less by outside printers, on the other hand should business conditions improve and commercial shops find their volume of work increasing it is quite probable that the cost to the company would be considerably in excess of the cost of doing the work in the home office plant. Mr. Murphy said that in his opinion the only justification for maintaining a printing plant is the superior service which can be obtained from it particularly in connection with sales campaigns

and the like where it is essential to supply material to the field force very promptly.

Al Kenigson, assistant actuary, Sun Life of Baltimore, described his company's experiences with inspection of industrial risks.

"We consider most practical and advisable an inspection system in industrial insurance as contrasted with the method pursued by most companies in passing industrial risks entirely on information placed on the application by the agent or in the case of new agents, on the approval of the assistant manager," he said. "We believe a system is wrong that tempts an agent to be dishonest in his dealings with his company and his clients. Our experience has demonstrated to us that a large percentage of agents will thrust on the company risks which they know should never be written but which they are not strong enough to resist writing when their company throws before them temptation in the form of commissions.

Temptation to Laxity

"There is strong temptation to an honest agent to be extremely lax, to say the least—in picking risks and giving accurate physical or other information concerning an applicant, when the agent's compensation is at stake. Our inspection system not only tends to pay for itself by keeping down our death claims, but we feel it yields an incalculable return in keeping our men from being discharged for bad claims, in that they know every case they write must be carefully inspected before it is to be issued and a report made to the company. Furthermore, after obtaining our inspection report on an agent's business, we have put many an agent on the right track, who started off wrong on the type of business he solicited. We have found that our inspection system has kept us almost entirely clear of court cases and our disputed cases are few and far between.

"It is true that a salaried inspection system for industrial business is costly. However, we estimate that this cost is covered in our company by saving in death claims and elimination of costs of outside inspection reports on our ordinary business and we obtain the many additional benefits which cannot be measured in dollars and cents."

J. F. Ruehlmann, vice-president Western & Southern Life, told how his company handles accounts of industrial pol-

icyholders who move out of territory served by agents. A high percentage of such business has been conserved and efforts are made to reinstate business even after it has been cancelled. The Western & Southern home office debit runs approximately \$830,000 over a 52-week period. The department has 29 employees including the manager and assistant manager.

In his paper on compiling ordinary agency production and persistency records, C. Stuart Collins, supervisor tabulating division Penn Mutual Life, said that the vast range of facts made possible by the use of punch-cards enables executives, first, to select a high type of field personnel and second, to analyze intelligently business submitted and, paid for, thereby having control over two prime objectives, amount and quality.

Describes New Devices

J. E. Mumper, L. O. M. A. staff, described recent developments in office machinery and equipment, including an interoffice telephone that works without an electric current supply, an office lithographing machine using paper instead of the usual metal plate, a simplified photographic copying machine, an electric signer, a new inking pad for rubber stamps, a new and smaller machine for recording documents on motion picture

film, a new type of file index and a new desk lamp which eliminates glare.

Other speakers were L. O. M. A. President Richard Boissard, vice-presidential National Guardian Life; C. A. Craig, chairman of the board, and W. H. McBride, actuary National Life & Accident; C. H. Doggett, assistant treasurer Jefferson Standard; Prof. W. G. Dyer, Vanderbilt University; Martin Roe, claims secretary Bankers of Iowa; E. A. Derribery, controller Life & Casualty of Nashville; H. M. Harrell, office manager Gulf Life, and H. J. Volk, supervisor, Prudential.

President Boissard conducted the first general session and J. E. Acuff, executive vice-president Life & Casualty, conducted the other. K. B. Piper, actuary Provident Life & Accident, and L. D. Ramsey, secretary Business Men's Assurance, conducted the two ordinary sessions, while H. T. Polk, treasurer National Life & Accident, and R. W. Beeson, secretary Liberty National, presided over the industrial sessions.

Garretson in Chicago

H. J. Garretson, assistant manager of agencies Fidelity Mutual Life, spent a few days in Chicago this week on business before proceeding to the west coast where he plans to spend his vacation.

BUILDING *for the* AGES

Life Insurance in its true meaning provides SECURITY—Today, tomorrow and through all future years.

THE INDIANAPOLIS LIFE INSURANCE COMPANY, through its Third Of A Century in business, has constantly built for the ages.

"To Keep QUALITY, SERVICE and SAFETY FIRST" has been the guiding principle.

1938

INSURANCE IN FORCE January 1, 1938
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(The largest Company in America organized as a Strictly Mutual, Legal Reserve Company since 1905.)

NEW BUSINESS IN 1938 is keeping pace with 1937
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Complete life insurance service—Modern policies, Children from birth, Adults to age 65. Specialized selling plans.

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INDIANAPOLIS, INDIANA

Edward B. Raub, President

A. H. Kahler, Supt. of Agents

NEWS OF WEEK

New England Mutual Life announces new setup in agency department. **Page 1**

Actuarial Institute membership examinations discussed by V. R. Smith in presidential address. **Page 1**

Policy loan situation reviewed by T. A. Bradshaw, assistant counsel Provident Mutual, at meeting of Association of Life Insurance Counsel. **Page 1**

Pennsylvania Insurance Days, sponsored by the Pennsylvania Insurance Federation, held in Philadelphia. **Page 4**

Superintendent Plink of New York suggests method for permanent average valuation of securities. **Page 1**

Life Office Management Association holds southern meeting at Nashville. **Page 3**

Federal prosecutions of disability fakers have switched juries' sympathies to companies. **Page 4**

American National of Galveston holds its agency convention at the head office. **Page 8**

Program announced for Asheville meeting of Medical section, A. L. C. **Page 10**

Parkinson says life insurance idea must be resold to public every generation. **Page 11**

Bank official, as policyholder, suggests institutional public relations program for life insurance. **Page 9**

EDITORIAL COMMENT

Two Strings to the Equitable's Bow

TREND-WATCHERS have noticed with interest that the EQUITABLE SOCIETY's new agency appointments have been divided between appointments on the managerial basis to which EQUITABLE has limited its appointments for a number of years, and appointments on the general agency basis, which was the rule of the company in other days. These general agency appointments supplement a large number of long-established existing general agencies. Some have wondered whether this meant that the EQUITABLE was swinging away from the managerial basis for new appointments.

The answer, however, is that the company is pushing vigorously ahead on both fronts. The feeling in the EQUITABLE home office is that whether the general agency basis or the managerial basis is preferable depends entirely on the man who is going to run the agency, his financial setup, and of course, local conditions in the community where the agency is located. Some men operate at their highest effectiveness when they are given the higher degree of autonomy that goes with the general agency franchise. They have money to invest and are at their best when backing their business judgment with their own operating funds.

Eye Social Security with Caution

WHAT IS THE FUTURE of the federal social security program? Life insurance men should keep a critical eye on the answer to that question. Although the present Congress undoubtedly will not make any changes in the present setup, the ROOSEVELT administration's answer to current criticisms is to increase benefits to the point where they may encroach on the service which life insurance so ably renders.

With the recession there has been some pressure by business groups to reduce social security taxes by eliminating the accumulation of a reserve. The ROOSEVELT administration recognizes the need for revision of the act but its answer to the criticism of the reserve accumulation is toward broadening benefits rather than reduction in the payroll taxes.

In a recent message to CHAIRMAN ALTMAYER of the social security board, PRESIDENT ROOSEVELT called attention to the necessity of studying ways and means of improving and extending the provisions of the social security act. "It would be unfortunate if we assumed that it was complete and final. Rather, we should be constantly seeking to perfect and strengthen it in the light of our

On the other hand there are many good men who can operate best on the managerial plan and others who cannot become general agents because they are not able to provide the necessary capital. Having a dual system obviously gives the EQUITABLE the widest possible latitude in promoting men to the helms of new agencies or vacancies. The problem, of course, is to keep a cost parity between the two systems so that neither plan has to take more than its share of the cost burden.

In this respect, the EQUITABLE is peculiarly well situated to proceed on the basis of its own experience. Years ago the company was exclusively a general agency organization. Then it switched over to the managerial plan and virtually all new appointments were on that basis, though, of course, the old general agencies existed side by side with the managerial agencies.

The EQUITABLE's successful operation under both systems indicates that there is no ground for the usual assumption that a company must be either completely on the general agency basis or the managerial basis. There seems to be no reason to suppose that the dual system will not work just as well when pursued as a deliberate policy as when it exists as the result of changing over from one basis to another.

accumulating experience and growing appreciation of social needs," he said.

The President went on to suggest a liberalizing of the old age insurance system and to have the board give consideration of the feasibility of extending its coverage by commencing the payment of old age insurance annuities at an earlier date than Jan. 1, 1942, and paying of larger benefits during the early years of the system and providing benefits for aged wives and widows and for young children of insured persons dying before reaching retirement age. Mr. ROOSEVELT urged the board to be prepared to submit its recommendation before Congress reconvenes in January.

In answer to a query regarding the suggested extension of the old age insurance program, John J. Corson, acting director of the social security board's bureau of old age insurance, said that the suggestions that have been developed are tentative in character. He feels that the additional benefits will not be as expensive as they seem to be, as many widows have accumulated old age benefits in their own right which will reduce the cost of the widows' pensions. He does not anticipate that the benefits to minors will cost much because "deaths

do not normally occur to the wage earners in the early days of marriage, and that children's benefits would soon run out through the children attaining maturity.

"Since there has been so much discussion of reduction of social security taxes, it may mean that the final results will be an increase in benefits such as was indicated in PRESIDENT ROOSEVELT's letter, to be financed without any further increase in taxes, with possibly some participation in financing on the part of the government," said Mr. Corson. He indicated that the plans are in a preliminary stage of discussion and it may be some months before a concrete program is developed.

M. ALBERT LINTON, president PROVIDENT MUTUAL LIFE, has given considerable attention to the social security problem. In recent talks he suggested that the beginning pension, which now averages one-third of the ultimate, be increased to an average level. It is estimated that the average pension, beginning in 1942, will be \$17 a month, while in 1980 it will be \$44. Mr. LINTON suggests a \$30 a month average pension be substituted for the graduate scale. Although it is rather difficult to make an accurate estimate, he figured that the \$30 average will eventually require a 6.6 percent payroll tax in 1980 compared to an eventual 6 percent tax which goes into effect in 1950 under the present social security program.

If the social security program is broadened to include survivors' benefits

and possibly total and permanent disability benefits, it may be necessary to increase the payroll tax to as high as 20 percent. With this in view Mr. LINTON warns against extremely liberal benefits which may endanger the whole social security program.

Mr. Corson's attempt to minimize the cost aspect of a broadened program is folly. Insurance men know from experience that the money to be paid out on increased benefits has to come from somewhere. Business men are already complaining about the present high payroll tax, although the social security tax is only 1 percent (employer's share) while ultimately it will be 3 percent. There may also be some reaction by employees when their share of the tax also reaches 3 percent. Certainly if social security is to function successfully it must have public support but that support may not be forthcoming if the cost becomes too high.

Life insurance men are not antagonistic to the idea of providing a basic social security program. It provides a foundation on which life insurance can build. However, the establishment of a successful basic program is a difficult enough job in itself without broadening the benefits to a point where the whole program is unwieldy. Furthermore, the life insurance business is in position to offer the broader benefits of providing for widows and children and with its successful past record life insurance has demonstrated its ability to provide for widows and their fatherless children.

Illinois Group Needs Cooperation

ILLINOIS faces savings bank life insurance. It is reported that a bill has already been drawn up and only awaits the selection of a sponsor. Vote hungry politicians find measures to "save the people's money" just their meat. It takes a heroic effort to defeat such a measure despite the wise arguments against enactment. At the annual meeting of the Illinois Association of Life Underwriters cooperation was urged against the threat of adverse measures

which are bound to be introduced when the legislature convenes in January. Cultivation of candidates for the legislature before election and an increased state association membership was urged. January is seven months away but if Illinois life insurance men will respond to their leaders' pleas NOW they can go a long way toward defeating harmful legislative proposals and eliminating unwarranted attacks on the business which usually accompanies such measures.

PERSONAL SIDE OF BUSINESS

Craig Kennedy, Jr., whose father is a well known producer with the Northwestern Mutual at Wichita, has been appointed to the U. S. Coast Guard Academy at New London, Conn.

Ceremonies conducted in the First Methodist Church South of Little Rock, Ark., interest insurance men. Rimmel Hall was dedicated in honor of Col. H. L. Rimmel, for many years Arkansas general agent of the Mutual Life of New York. He was one of the country's most prominent Republican leaders. He had a wide acquaintance among life insurance men and political celebrities.

Rimmel Hall is a building remodeled, the money being provided by his will. He left this money to the church to be paid 10 years after his death.

The other dedication was the Leigh memorial cross on top of the tower. This was in honor of L. B. Leigh, son of Dr. Richard Leigh, at one time a minister of the North Georgia conference. L. B. Leigh founded the L. B. Leigh & Co. general agency at Little Rock of which J. Gilbert Leigh is now head. The spire was erected by his nieces and nephews, Miss Mary Leigh, Mrs. F. D. Watkins, J. Gilbert Leigh and W. W. Leigh, who

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are partners in the Leigh & Co. agency. One of the speakers at the dedication ceremonies was J. J. Harrison, manager of the Union Central Life.

In a Professor Quiz contest staged over CBS, New York, K. B. Piper, actuary of Provident Life & Accident, received the award of 25 silver dollars, his batting average being 700 percent against a possible 800 percent. Mr. Piper drew from his pocket a sock to receive the 25 silver dollars. He explained that his youthful son had previously heard his father refer to his plan to "put them away in the old sock" if he should be fortunate enough to win them. So beforehand the lad dug up a sock and put it in his father's pocket. Curiously enough, Mr. Piper discovered that one of the silver dollars was an 1887 issue—the year the Provident was founded—and that four of them were minted in his birth year.

Isadore Samuels, Denver general agent, New England Mutual, is attending commencement at Park College, Parkville, Mo. He is a graduate of the college and has been one of its trustees for many years.

About 50 friends of Douglas J. Murphy, former director of publicity and advertising General American Life, honored him at a dinner. He recently resigned to join the advertising department of the Metropolitan Life.

E. M. Somerville, Penn Mutual Life general agent in Kansas City, is in Rochester, Minn., where he underwent an operation. He is reported to be recuperating.

John Edgell, 63, policy registrar of the State Mutual Life, who had engrossed policies and diplomas for companies and fraternal bodies for many years, died at his home in Gardner, Mass.

A. F. Haas, manager Pittsburgh agency Mutual Life of New York, honored at a luncheon 12 of his leading agents who qualified to attend the national Field Club convention at San Francisco in June. A surprise dinner party in honor of Mr. Haas' fifth anniversary also was held. Mr. Haas was presented a scroll pledging fifth place for the agency, nation wide by the end of Mr. Haas' fifth calendar year in Pittsburgh. Under his leadership the Pittsburgh agency has jumped in the five years from 53rd to seventh place.

G. G. Moore, president National Reserve Life, Topeka, Kan., is on an extended trip and vacation in Europe upon the insistence of Dr. H. B. Talbot, medical director, who accompanied him on the voyage. Mr. Moore has been ill for about six months and unable to be at his desk. Mr. Moore, upon advice of Dr. Talbot, is disposing of his famous stables, including his national five gaited champion, "Lady Jane." An auction of the prize winning horses is planned during his absence.

W. K. Niemann, Bankers Life of Iowa Des Moines agency manager, was a featured speaker at a brides' school in Des Moines under the sponsorship of the Des Moines Junior and Iowa State Federations of Women's Clubs. He spoke on the place of life insurance in every home budget, his topic being "Happiness to Share."

E. N. Van Vliet, manager home office agency Prudential, was feted by his agency force and many friends in northern Jersey at a dinner on his 35th anniversary with the company. He was presented a scroll signed by all members of his staff, Assistant Manager J. H. Kaplove making the presentation. Mrs. Van Vliet received a bouquet of 35 American Beauty roses. Mr. Van Vliet also was presented the Old Guard Association membership certificate and

locket by Supervisor R. E. Wilkins of the home office. After serving the Northwestern Mutual in the field for six years, Mr. Van Vliet joined the Prudential in Newark as agent, then as cashier in the agency in 1905, later became assistant manager. In 1909, he and T. F. Keer were appointed general agents, continuing the partnership until Mr. Keer's retirement in 1936, when the Newark office was changed to a branch office in charge of Mr. Van Vliet. He is one of the founders of the Life Underwriters Association of Northern New Jersey and a member of the Life Insurance General Agents & Managers Association of Northern New Jersey.

Set June 3 for Phoenix Hearing

LOS ANGELES—Federal Judge D. Ling at Phoenix, Ariz., has set June 3 as the date for hearing on the bill of particulars requested by former officers of the old Pacific Mutual Life, who stand indicted on mail fraud charges. The bill alleges that \$721,173 of company funds were paid into an employees stock syndicate "under the guise of contributions, gifts, or donations." Government counsel said the bill answers 81 questions asked by the defendants.

To Hold Hearing June 10 on Reinsurance Proposal

A hearing will be held June 10 in common pleas court at Columbus, O., on application of the Ohio insurance department for permission to reinsure the Federal Union Life in the All States Life of Montgomery, Ala. The department has had the company in its possession several years for the purpose of rehabilitation.

It is stated the plan agreed upon between the department and the All States is practically the same as that drawn up some months ago and approved by the court. However, it is proposed that the lens will become fixed by July 1, 1943, instead of July 1, 1936, as originally planned.

It is understood the All States will continue the rehabilitation plan and reinsure all policies in full. Death claims will be paid in full until the lien becomes permanent. The statement is made that the All States is in reality

acting as a trustee for the Federal Union and all assets will be turned over to it. Claims against the Federal Union must be filed by June 10 and all who have any objection to the reinsurance plan will be given opportunity to be heard at that time.

Receivership Is Ordered for American Life of Detroit

LANSING, MICH.—Although Judge Carr of Ingham county circuit court has filed an opinion holding the American Life of Detroit insolvent and ordering a receivership, it appears that the bitter fight of the company's management to retain control will be continued. No receiver was named by Judge Carr and Commissioner Gauss continues as temporary custodian.

Wilber M. Brucker, vice-president and general counsel, announced an appeal to the state supreme court. Mr. Brucker, a former Michigan governor, claimed throughout the hearing that Commis-

THE SATURDAY EVENING POST
JANUARY 8, 1938
Found by [illegible]

The New York Times
MAY 1, 1938
Shadow of Two Men

N.W. Nat'l Life Shows 1937 Gains
MINNEAPOLIS, June 3.—The Northwestern National Life made a gain of \$418,536.825 in the insurance business during 1937, according to the annual report of the company, which was filed with the state of Minnesota today. The report shows that the company's net income for 1937 was \$1,000,000, and that its total assets were \$10,000,000.

NATION'S BUSINESS
STREET CLOSED

FAMILY INCOME VS COST OF LIVING
The chart shows that the cost of living has increased significantly since 1913, while family income has remained relatively stable.

THE WALL STREET JOURNAL
MAY 1, 1938
Hidden Taxes

THE CHRISTIAN SCIENCE MONITOR
MAY 1, 1938
Easy Living Swells Toll of Diabetes Study Shows

JOURNAL
MAY 1, 1938
VITAL SPEECHES OF THE DAY

Nation For Now Opera At 1931 Level
Pay Rols, Unemployed Department Shows and Other Inducing Figures of Forearm

Building Costs Off 3 P.C. From September Peak
Based on the Chicago Standard Building Cost Survey, the cost of building has decreased by 3 percent since its peak in September 1937.

Fathers Show Desire For Higher Education
MINNEAPOLIS, June 3.—Three out of four fathers plan to give their children college or technical training, according to a survey by the Northwestern National Life Insurance Company.

Congressional Record
JULY 1, 1938
America's Prospect of True Security

Recognition
The clippings here reproduced have one thing in common. They all are visible bits of evidence of the recognition that is continually accorded Northwestern National Life of Minneapolis in the public press. Yet they are only a typical few of the many hundreds of similar items mentioning NWNL found every year in newspapers the country over and in leading magazines of national circulation, such as those whose identifying nameplates or covers are also shown. RESULT: Millions of men and women from coast to coast regularly read about NWNL or see it quoted in their newspapers and magazines.

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY
STRONG - Minneapolis, Minn. - LIBERAL

U. S. Pay Checks Shrink More Than Living Costs
MINNEAPOLIS, June 3.—The Northwestern National Life Insurance Company today announced that the average family's wage check has shrunk more rapidly than living costs have increased since 1913.

N. W. NAT'L LIFE RISKS IN FORCE UP \$23,800,000
Total \$418,536.825 at End of 1937; Sales, Assets, Surplus, Gain.

Drop in Buying Power as Living Costs Increase
Based on the Chicago Standard Building Cost Survey, the cost of building has decreased by 3 percent since its peak in September 1937.

HOME BUILDING COSTS EASE OFF SURVEY SHOWS
Average for 16 Cities in Nearly 3 Pct. Below September Peak.

sioner Gauss was prejudiced against him and hence acted unfairly toward the company. He has prepared recommendations which he will make to the 1939 legislature to modify the insurance commissioner's powers and to compel him to act with greater deliberation in bringing proceedings against companies. One recommendation provides that the commissioner must have had some practical insurance experience.

Judge Carr's opinion, finding the department's procedure to bring about a receivership or custodianship fully justified by all the facts, made no mention whatever of Mr. Brucker's charges of official bias as the underlying motive for departmental action.

Must Protect Policyholders

"The conclusion cannot be avoided that some action of the nature suggested by the examiners in their report is necessary for the protection of the policyholders and the public generally. Without such action, the continued operation of the company must be regarded as 'hazardous' within the meaning of the insurance code," said Judge Carr.

In his summary Judge Carr said the company's \$99,000,000 insurance in force in 1930 had dwindled to \$62,624,402 at the end of 1937, while liabilities totaled \$16,791,753 and assets \$14,638,791. The court further commented on the show-

ing that the company had largely stripped itself of good liquid assets in repaying a Reconstruction Finance Corporation loan. In 1937 a conceded loss of \$62,000 was recorded in spite of exceptionally favorable mortality, said the court.

No Market for Real Estate

In regard to the contested real estate valuations, the judge said: "It seems to be conceded that there is little, if any, market in so far as much of the property of the company is concerned. This results in injecting a rather speculative factor into the situation. It seems apparent that this condition is one that cannot by any possibility be cleared up immediately. There is no showing to predicate a finding that improved conditions may be expected in the immediate future."

In regard to the Texas properties the American Life values at \$2,982,669, the court concludes "that there is a very grave doubt as to whether the value of this Texas real estate is equal to the actual investment that the defendant has in it." There are so many speculative factors involved, said the court, that the investment must be deemed "lacking the elements of stability and reasonable security required of insurance company investments."

The company's effort to define "insol-

veny" as mere failure to meet obligations was viewed askance as perhaps applying to general business concerns but not to insurance companies. "When such a degree of impairment as is shown by the record in this case exists in the financial structure of an insurance company such company must be said to be insolvent within the meaning of an acceptable definition. Certainly we have a condition here indicating that the reserve and capital stock accounts are materially impaired," said the court.

Thrift Certificate Holders Withdraw Objections

LINCOLN, NEB.—Holders of thrift certificates in the Cosmopolitan Old Line Life have withdrawn all objections to confirmation of the reinsurance agreement made through court action with the Lincoln Liberty Life. Their attorneys stated their interests are as well protected by the amended agreement as is possible under reinsurance and servicing practices.

The company has consented to make an equitable segregation of assets as between thrift and life business of the Cosmopolitan; to confine expenses of servicing to handling thrift certificates only; completely to divorce thrift business from life business to the extent of handling them by different groups of employees; to credit all income from thrift assets to thrift certificate holders; to maintain separate accounts, and to make quarterly reports to the court open for public inspection showing receipts and disbursements. The objectors agreed to dismiss all pending litigation and not to appeal from orders now of record.

Receivership Is Asked

LANSING, MICH.—Failure of the Michigan department to obtain advantageous offers for reinsurance of the Roman Standard Life of Manistee has brought a departmental petition for designation of a receiver. Judge Carr of Ingham county circuit court set June 14 for hearing on an order to show cause why a receiver should not be named. L. H. Sanford, second deputy commissioner, has been custodian of the company since Nov. 22.

Two reinsurance offers were obtained, the petition stated, but their acceptance would have entailed considerable loss to policyholders. It was charged that the company is definitely impaired and insolvent and a receivership appears the only recourse to safeguard the interests of policyholders and creditors.

Founded in 1912, the company had only 673 policies, representing \$1,228,644 in insurance in force at the end of 1936.

Move Radio Station

Radio station KFBI at Abilene, Kan., owned by the Farmers & Bankers Life of Wichita, is to be moved to the company's new home office building in Wichita as a result of approval secured from the federal communication commission. KFBI has been owned and operated by the Farmers & Bankers for seven years.

Evans on Western Trip

L. J. Evans, assistant director of agencies for the Northwestern Mutual Life, is on a three weeks trip through his western territory. In Salt Lake City he assisted Charles Guilford, newly appointed general agent, in taking over his new duties, conducting an introductory agency meeting and dinner. From there Mr. Evans will visit general agents and attend agency meetings of E. A. Crooks, Boise, Idaho; L. F. Larson, Portland, Ore.; M. H. O. Williams, Seattle; J. A. Reinhardt, Spokane, and Clyde Baldwin, Great Falls, Mont.

Martin to Home Office

W. R. Martin, Kansas state supervisor of the Illinois Bankers Life, will join the home office staff as agency supervisor, effective July 1. He has been

associated with the company four years, three years as Kansas supervisor. Prior to that he was with the Lloyds Casualty group.

He is succeeded as agent for Kansas by W. W. Parrish, Jr., who has been Kansas general agent of the Woodmen Accident and Central Health.

POLICIES

Seaboard Life Is Issuing Participating Contracts

The Seaboard Life is adding five participating contracts to its regular line of non-par policies. These are ordinary life, endowment at 85; 20-year endowment, 20-pay, endowment at 65; life paid-up at 65 and preferred risk whole life (\$5,000 minimum). They are issued on the Illinois standard 3½ percent basis, except the preferred risk whole life, which is issued on select and ultimate reserve basis with 3 percent interest.

President Burke Baker said, "We believe the Seaboard's record of low mortality, good investment return, no investment losses, moderate expense and consistent growth justify its offering a line of participating policies with the assurance of satisfactory dividends and low net cost."

Better interest return and lower mortality enjoyed by Texas companies should put them in a very favorable position in offering participating insurance, he said. The superior persistency of participating business is an important consideration in inaugurating the new forms. President Baker noted that 80 percent of life insurance in force in the United States is under participating plans, whereas in Texas approximately 80 percent has been written under non-par plans.

Ohio State Life Retirement Income Is Liberalized

The Ohio State Life has streamlined its retirement income bonds with the new optional retirement age, under which a policyholder may elect to have his life income begin at any age between 50 and 70. A special options rider hereafter will be attached to all retirement income bonds, combining the present options at ages 55, 60 and 65 with the optional retirement age and life incomes at all ages between 50 and 70. This makes the retirement income bonds the most flexible contracts issued by the Ohio State Life.

It is pointed out that a policyholder who purchases a retirement income bond at age 55, when he nears this age may decide to defer the income age until 65. His premiums would stop at age 55 under this contract; he would receive interest on the maturity value annually, and at age 65 his life income, based on his attained age, would start. Special options at maturity may be selected at that time. The plan is issued both on the non-participating and participating basis.

Holmes Warns of "Shell Game"

In a picturesque, illustrated bulletin captioned "Keep Away from the Shell Game," Commissioner Holmes of Montana issues a warning against mail order insurance companies.

"How can you tell 'shell game insurance'?" the bulletin asks. "In a most simple way. 'Shell game insurance' companies never comply with the state law. They never secure a state license and never operate through licensed agents."

Mr. Holmes states that no matter how attractive the policies may appear, they are full of jokers.

"A safe rule to follow is—no license, no buying on your part," he advises.

1937 GALAXY

36th IN INSURANCE IN FORCE (Non Industrial)

14th IN INSURANCE WRITTEN

7th IN INSURANCE GAINED

1st IN PROPORTIONATE GAIN

OCCIDENTAL LIFE • LOS ANGELES

LIFE AGENCY CHANGES

Yeoman Shifted to Baltimore

Home Office Agency Field Assistant
Home Life Is Assigned to an Important General Agency Position

The Home Life of New York has advanced P. H. Yeoman, home office agency field assistant, to general agent at Baltimore. This is typical of Home Life's policy of promoting men from



P. H. YEOMAN

within its own ranks to positions of agency management wherever possible.

Mr. Yeoman went with the Home Life two years ago after six years' experience in the life insurance business. As agency field assistant he has assisted general agents in recruiting, training and directing field activities along planned estates lines, the company's copyrighted sales plan.

The position of agency field assistant was created in 1933 when the Home Life introduced its planned estates idea and it is this staff of men in the home office who are charged with the responsibility of educating and training the sales force to present planned estates in the most intelligent and practical manner to clients. Men selected for the position of home office agency field assistants are men who have had proved sales records behind them and who have ambitions along agency management lines.

Sisk Is Supervisor

L. W. Spickard, who became agency manager for the Bankers Life of Iowa in Milwaukee recently to succeed F. T. Johnson, resigned, has appointed John M. Sisk as agency supervisor. Mr. Sisk is widely known as an all-American football player and athlete at Marquette University of Milwaukee several years ago and later as the "Big-Train" while playing professional football with the Chicago Bears. He joined the Bankers Life as an agent while with the latter team.

Riggle Named at Jacksonville

W. H. Riggle has been appointed district manager of the Mutual Benefit Health & Accident and the United Benefit Life in Jacksonville, Fla. Mr. Riggle, a former resident of Jacksonville, has been located in Orlando where he was in the office equipment business.

Hood to Union Central

Jesse A. Hood, long connected with the Richmond, Va., agency of the Equitable Society and one of its premier producers, has been appointed general agent in Richmond for the Union Central, succeeding Joseph Greenfield, who resigned several months ago to go with the Provident Mutual in Atlanta. Mr. Hood is a past president of the Richmond Association of Life Underwriters.

Herb Now Assigned to Utah

Shifted from Home Office Agency
Department to General Agency Position in Salt Lake City

The Penn Mutual Life announces the appointment of F. E. Herb as general agent for Utah, directing from the Salt Lake City agency office. He succeeds W. A. Carter, who, having been ill since last October, requested to be relieved of management responsibility, while remaining as associate general agent.

Mr. Herb attended Staunton Military Academy, Staunton, Va., graduated from Peirce School of Business in Philadelphia, and was a student at Penn State College, Pa., until the outbreak of war. He served two years in the army, and retired with a reserve commission. Mr. Herb graduated in 1921 from the Wharton School of Commerce & Finance of the University of Pennsylvania, where he majored in insurance, among other subjects, under Dr. S. S. Huebner.

In 1925 he went with the J. Elliott Hall agency of the Penn Mutual in New York City, as a producing agent. Income insurance, through the program method, was his specialty. In 1930 he was promoted to a supervisor in the agency, as an instructor in the sale of income insurance, and a joint worker with new agents in that branch. He is a C. L. U.

Mr. Herb was transferred to the home office in 1934, as a member of the training branch of the agency department, and has made important contributions to the company's program for training its representatives to render a still higher grade of life insurance service. He is a frequent speaker at life underwriters' meetings and sales congresses.

United States Life Is Now Entered in Hawaii

The United States Life has entered Hawaii. The general agents are Brainard & Black, the firm consisting of S. B. Brainard and John A. Black. The offices are on the ground floor of 63 Merchants street, Honolulu. Vice-president C. J. Smith negotiated the arrangements for the representation. Mr. Brainard joined the agency staff of the Home Insurance Co. of Hawaii in 1929 and three years later was appointed superintendent of its life department. In 1934 he was elected secretary. He is a native of Denison, Ia.

Mr. Black is a native of Pennsylvania and graduated from the University of Washington. He graduated later from the Harvard School of Business Administration and then went to Hawaii for the Hawaiian Pineapple Co. In 1932 he connected with Alexander & Baldwin, an insurance office, becoming supervisor of the Aetna Life. In 1935 he was appointed assistant manager of the insurance department of the Hawaiian Trust Co. He is president of the Hawaii Life Underwriters Association.

Arthur Sisk Heads Agency

ALBUQUERQUE, N. M.—Arthur Sisk, agency organizer New York Life in New Mexico, has been appointed director of the New Mexico agency here, succeeding his father, the late E. D. Sisk. Arthur Sisk joined the New York Life here in 1912 with his father, who organized the agency in 1921.

Willard E. King Resigns Post

Willard E. King has resigned as state supervisor for Central Life of Illinois in Michigan. He has been operating in partnership with William Hordes as the Hordes-King agency in Detroit. From 1916 until 1927, Mr. King was vice-president and agency manager of Agricultural Life of Michigan. Later

The Square deal Contract is *not* a "piker's contract"

Little Company! Yes.

Licensed in only 4 states! Yes, and possibly will never enter more than eight.

But how much territory can *you* effectively cover? Does the fact that a company is writing in Nevada and New Hampshire help you get business in Port Washington, Wis., or in Paulaski St., Minneapolis, N. E.?

No matter whether your forte is personal production or agency building our Square deal Contract's the one you should study. If you're strong on *both* p.p. and a.b., *then* the Square deal's worth more to you than any contract you've ever looked over.

Ask about it.

National Life
Guardian Life
Insurance Company
Madison, Wisconsin

100 Years of Weekly Production . . .

A significant criterion of efficient sales management and of a loyal, aggressive sales force is regular weekly production, in good times and in bad. This company's App-a-Week Club has the highest membership in its history—94—and the combined standing of these members represents an aggregate of

5,200 Weeks—100 Years

consecutive weekly production. It is entirely logical, therefore, that our volume of new business is breaking all previous records, running 40% ahead of last year during the first four months of 1938.

Saleable Policies—Attractive Contracts

The explanation is to be found in policies especially adapted to meet present-day demands for maximum coverage at minimum premium outlay and in attractive agency contracts. Write us for particulars.

KARL B. KORRADY, Vice President
Director of Agencies

ILLINOIS BANKERS LIFE

1897 Assurance Company Life
1938 MONMOUTH, ILLINOIS Accident Health

Mr. Life Underwriter

INCREASE Your SALES ... Your EARNINGS ... Your PRESTIGE

WITH THE New "CALEMETER" DIRECT MAIL PLAN

A thrilling new approach that gets immediate attention! ... A sure-fire medium that makes your prospect eager and clinches sales! ... A new, dynamic, action-getting plan that creates more interviews and raises sales-closing averages! Like CALEMETER itself, this tested and proven direct mail plan gets quick results. It tells and sells the importance of saving for protection, future income, children's education and freedom from financial cares. It paves the way for dramatic demonstrations and signed applications! Send TODAY for Samples and interesting details.



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- ☐ Please send details only.

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Company

AN "APP" A DAY THE CALEMETER WAY

Pure Protection LOW COST Life Insurance

No Cash Values

Life Insurance in itself is inexpensive

We are proud of our THIRTY YEAR record of dependable service to our policyholders. During this time the country passed through the GREATEST WAR in history—the GREATEST EPIDEMIC and the GREATEST DEPRESSION. It has never been necessary to borrow money from the government or any other source to meet our obligations.

Attractive proposition to agents and brokers

INTERSTATE RESERVE LIFE INSURANCE COMPANY

10 East Pearson St., Chicago, Ill. • Phone Superior 1714

"THE SUN NEVER SETS ON AN UNPAID CLAIM"

he served for about a year as manager of the Detroit agency of Detroit Life. He operated as a broker for a time and then for four years served as an executive of the HOLC.

E. J. Newbegin Resigns

E. J. Newbegin, who has been Los Angeles manager of the Liberty Life of Topeka for two years, has resigned.

McCready Named at Wichita

Morris D. McCready, for the past year associate general agent for the Massachusetts Mutual at Wichita, has been appointed general agent to succeed A.

N. Booth, who recently resigned to become secretary-manager of the Wichita chamber of commerce. Mr. McCready has been with the company for six years.

Guilford Named at Salt Lake

Charles C. Guilford, special agent Northwestern Mutual Life at Eau Claire, Wis., has been appointed general agent at Salt Lake City. His territory will include Utah, eastern Nevada and southern Idaho. He succeeds Fred H. French, who has resigned to specialize on personal production. Mr. French has been with the company since 1921, while his successor went with the company 18 years ago.

LIFE SALES MEETINGS

State Mutual Holds Regionals

Bullock Stresses Need for Protection Against Life Hazards—Sales Possibilities Pointed Out

With the marked increase in automobile accidents, the threat of war and epidemic and the fact that more than 10 percent of life insurance policyholders die within five years from the date of their policies, the dire need for life insurance protection was stressed by President Chandler Bullock at the regional meetings of the State Mutual Life. Approximately 28 percent of the policyholders die within the first 10 years after issuance of their policies and "approximately 80,200 death claims were paid in 1936 under policies in force less than one year; and these deaths brought to beneficiaries approximately \$54,200,000," said Mr. Bullock. "Men and women do not want to expose their families to such hazards and they will not take such chances if they are acquainted with immutable facts such as these," he declared.

One-third Uninsured

Thirty-six of every 100 persons own no life insurance, yet there is approximately 110 billions of life insurance in force—an amount about one and one-half times the national income, said Stephen Ireland, vice-president and superintendent of agencies. "We are sometimes inclined to believe that almost everyone is insured," Mr. Ireland stated. "Yet one-third or more of the persons with whom State Mutual agents are doing business are not insured at the time they apply to us. A large percentage of those who carry life insurance are not covered for anything approaching their economic value."

"Lame duck" applicants applying for life insurance increase in numbers during depressions, said Ross B. Gordon, underwriting vice-president of the State Mutual Life.

Mr. Gordon said the State Mutual's declined applications dropped to a nine year low of 5.8 percent in 1937 as a result of its broadened substandard practice of issuing insurance for a larger premium commitment on risks presenting more than normal hazards. Five percent of the lives insured in 1935-37 required an extra premium charge. One-half the declines last year were due in large part to the applicants' liquor habit, said Mr. Gordon.

Views Blood Pressure

In a talk on blood pressure, Dr. H. H. Amiral, medical director, said on medical rejections in 1937 abnormal blood pressure figured in about 25 percent of the declined cases.

Richard C. Guest, actuary, asserted that a knowledge of home office viewpoint is an important asset helping the public relations job which the agent does day by day in his sales work. "The fundamentals of the business of life insurance can be very simply stated. We collect premiums, we pay expenses and death claims, and we invest to earn in-

terest on the balance of the funds in order to build up the reserves."

James H. Etelson, assistant superintendent of agencies, discussed the three essential points of departure in the State Mutual sales plan: That the salesman be well and favorably known; that he know where he is going, and that he tell a good sales story.

Mutual Life's Field Club Is Meeting in San Francisco

SAN FRANCISCO—More than 300 representatives of the Mutual Life from all parts of the country are attending the national Field Club convention here this week. Gordon W. Hay, San Francisco manager, is official host.

Among the home office representatives who will be in attendance are: David F. Houston, president; George A. Patton, vice-president and manager of agencies; Frederick L. Allen, vice-president and general counsel; G. A. Sattlem, superintendent of agencies; Dr. Eugene F. Russell, medical director; Walter F. Shaw, assistant manager of agencies; Austin D. Reiley, assistant manager of selection; J. Roger Hull, assistant superintendent of agencies; Walter L. Young, agency secretary; E. M. Hunt, in charge of advertising, and Ralph Marshall.

Lincoln National Planning "Billionaire" Meet in 1940

The "billionaire convention" of the Lincoln National Life in January, 1940, will be held in Miami, A. L. Dern, vice-president and director of agencies, announced. One big convention for all club members will be held as contrasted with the two regional conventions held for the past three years. The meeting will be in celebration of attaining a billion in force, that goal being set for 1939.

Qualifying period for the convention began May 1, and will extend to Oct. 30, 1939. Agents are divided in two groups for the 1938 convention, western qualifiers to meet at Coronado Beach, Cal., June 22-24, and eastern agents at Mackinac Island, Mich., July 13-15.

Osmundsen Host to Agents

F. W. Osmundsen, Mason City, Ia., entertained 25 north Iowa agents of the Equitable Life of Iowa who qualified for the meeting at a two-day session at his cottage at Clear Lake. R. E. Fuller, superintendent of agencies; T. H. Irwin, assistant actuary; E. E. Berg, former head football coach University of Nebraska, now field supervisor, all of Des Moines, gave talks.

Hawkins Is Reelected

LANSING, MICH.—Officers of the Michigan State Columbus Mutual Life Club were reelected at a meeting of the organization's state cabinet here. They are: President, Myron Hawkins, Char- lotte; executive vice-president, E. A. Newark, Lansing; second vice-president, C. F. Durrant, Pontiac; secretary-treas-

urer, G. F. Dobben, Jackson; state club representative, B. E. Ludwig, Lansing, and Nicholas Merrick, Detroit. It was decided to hold the annual convention in Pontiac in November and an outing is planned at Island Lake near Brighton in July.

Manhattan Life Convention

The agency convention of the Manhattan Life will be held at the Edgewater Beach, Chicago, Sept. 29-30-Oct. 1.

With W. Brodnax, president, and R. E. Murrell, vice-president, present, the Universal Life of Dallas held a one day agency meeting in Amarillo, Tex., with 15 agents in the territory attending.

GENERAL AGENCY NEWS

N. D. Agents of Guardian Life Have Get-Together

R. A. Trubey of Fargo, manager of Guardian Life for North Dakota, had an agency meeting with Superintendent of Agents Frank Weidenborner representing the head office. He and



RALPH A. TRUBEY

Mr. Trubey led the meeting. J. R. Seifert and D. H. Jones led two sections.

At the banquet, prizes were awarded. John Lerom was awarded first prize in number of applications during the two months contest with George Mellem, Minot, second. Both are new men. In volume, D. H. Jones, Grand Forks, was first with Roy Bakken, Bismarck, second. The conservation prize was again won by J. R. Seifert, Barnesville, Minn. Dr. and Mrs. E. M. Watson were guests as well as Mort Benson of St. Paul, and R. D. Beard of Fort Smith, Ark., old policyholders and friends of the manager.

Mr. Weidenborner told of the success of the Weidenborner campaign and referred to the splendid record of the Trubey agency in the April campaign for Vice-president James A. McLain.

Educational Meet in Milwaukee

Charles J. O'Connell, head of the agency service bureau and inspector of agencies for the New York Life, represented the home office at the annual spring educational meeting of the Milwaukee agency. R. E. Peters of Minneapolis also attended. The meeting was arranged by Walter Weissinger, agency director at Milwaukee, who went there early this year to succeed U. D. Ward, retired; and Carl E. Reiss, agency organizer in charge of the territory surrounding Milwaukee. The meeting also served as a "house warming" of the new quarters of the New York Life in the new John Mariner building. For about 26 years the offices were located in the Wells building. It was there that Thomas

A. Buckner, present chairman of the board, began as an office boy and Walter Buckner, executive vice-president, was an office employee.

J. K. Taylor Is Winner

The J. K. Taylor agency of Equitable Society in Louisville was the winner in the contest among Equitable agencies in the south in the recent campaign for Vice-President W. J. Graham. The agency had a 68 percent increase in number of applications as compared with the same period the previous year. Noble Ewing, Bowling Green, Ky., was the leader with 44 applications.

Texas Agencies Picnic

A joint picnic was held by the David O. Johnson agency of San Antonio, Tex., and the George E. Nowotny agency of New Braunfels, of the Minnesota Mutual Life, at New Braunfels. Horace F. Beckham, Texas manager,

and Harold J. Cummings, vice-president, were guests. Mr. Cummings completed a tour of the Fort Worth, Dallas, San Antonio and New Braunfels agencies. He furthered plans for the next company convention, which is to be held in San Antonio.

Scofield in New Quarters

R. F. Scofield of Milwaukee, district manager North American Life & Casualty of Minneapolis, held "open house" at his new quarters at 207 East Michigan street in that city. A number of insurance offices have in the past year moved to that location. The new North American quarters occupy several times their normal space. Just a year ago Mr. Scofield opened a small office with two agents. Today he has 21 full-time men. The new hospital policy recently issued has attracted many new agents and, contrary to expectations, this policy has not overshadowed other forms of life, health and accident. It has, in fact, stimulated production on all forms.

INDUSTRIAL FIELD NEWS

Comments on Industrial Men

A. D. Cooley Shows the Necessity of Showing a Continuous Good Record in the Soliciting Field

A. D. Cooley of the Industrial Life of Philadelphia, in speaking at Pennsylvania Insurance Days celebration under the auspices of the Pennsylvania Insurance Federation at Philadelphia, urged modernization of insurance methods but said that after all success is the reward for better accomplishment. He advocated doing one's duty a little better and by this success is achieved. An industrial life company, he said, to be successful must show a continuous increase in its business in force. Speaking further, he said:

"As a company is merely a reflection of its individual agencies, it is customary for the executives to compute the increase desired in a particular period and determine the pro-rata amount needed from each agency weekly to make the necessary increase. This figure is the debit's allotment. Every company has a certain proportion of men who have their debits under such perfect control that, consistently, week after week, by skillful planning they give their company the allotted increase. They are the successful agents. Unfortunately, there are others who possess all the qualifications requisite for success, yet are unwilling to do their task 'a little bit better' and be classed among the favored ones. If, for instance, their account is \$200, they know that the average weekly lapse ratio is 1 percent, yet they will be satisfied with a \$2 weekly writing, when these proportions over a period of time will just cover the lapse. If 20 interviews during the week gives \$2, 25 will give \$2.50, the amount necessary for qualifications. The formula works—these men will succeed when they realize that the extra effort needed for five more interviews per week is a cheap price for success.

"Let us forget, let me repeat the quotation: 'It is so easy to do a task, merely to get it done. It is quite a different matter to do that task better than any one else can do it; it is this difference that spells success.'"

Death of John W. Boyle

John W. Boyle, superintendent of Providence No. 2 for the Prudential since 1912, died suddenly following an operation. He was familiarly known as "Sunny" Boyle. He became an agent in Staten Island, N. Y., in April, 1902, and assistant superintendent there in 1903. He was transferred in 1905 from Boston No. 1 where he remained until December, 1908, when he became superintendent of Boston No. 4. He was transferred to Providence No. 2 in 1912.

Practical Tips Are Offered

Two Industrial Men in Talks at Session of Pennsylvania Insurance Days

PHILADELPHIA — Tips on canvassing systematically were given in the industrial life, health and accident session at Pennsylvania Insurance Days by H. J. Bryner, Progressive Life, Philadelphia, and on policyholders service by G. C. Bracken, Philanthropic Mutual Life, also of this city.

Service work should give the policyholder a better knowledge of the policy he is buying, Mr. Bracken said. The public should know more about insurance than that it is something with which to pay the doctor and undertaker. Explain the policy and avoid difficulties later when a claim is presented on which there is no liability, he advised.

"Thousands of dollars of paid-up insurance have been thrown away because the agent did not tell them that they had a paid-up value in case of death, but just said 'your policies are lapsed,' Mr. Bracken commented. "You owe it to your people to tell them about their policies. They don't read them. They trust you. Give them service and you will sell yourself to your people.

"Be plain in your talk. Show people how to read their books. Nearly everybody wants to keep his premiums paid up.

"If your members get in arrears try in every way to get them to pay up. Don't be so keen to rewrite the policies. We all know that old policies have more protection than new ones. Explain this, and only rewrite as a last resource.

"If someone dies in one of your houses, stop. Maybe you can give them some advice. You understand insurance—they do not. Many applications come from your interest shown at a time like that.

"All your members look for is a fair deal. All the companies want to pay just claims. Your company wants men who will do their job well, and if you do, your people will get you more and more new members, and you will find that being an insurance man brings many rewards."

Canvassing is the foundation upon which all great insurance companies rest, Mr. Bryner said. Definite plans worked systematically, are necessary today. Prospecting must be done first, then the canvass planned.

In prospecting information is sought about persons, at least five factors being necessary: Name, address, approximate age, family responsibility and income. These facts being learned, the person becomes a prospect.

Something definite must be said during the first few moments of the

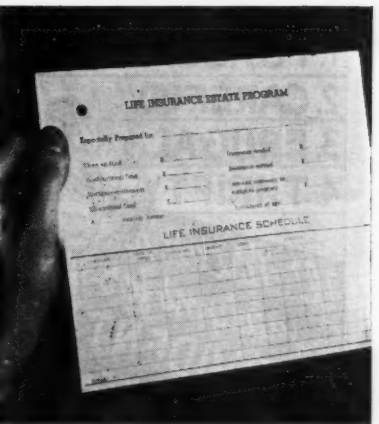
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FOUNDED 1867



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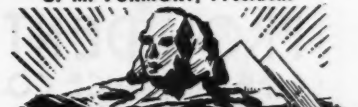
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LIFE INSURANCE CO.

VAN WERT, OHIO

C. M. PURMORT, President



FOR AGES TO COME

interview to get the prospect's interest and attention, Mr. Bryner said.

Prospects should be developed until there are at least five for each working day. Monday five prospects are selected and the agent resolves to interview these five persons and add five more to his prospect list. This procedure is continued throughout the week, thus developing an endless chain.

As the five prospects are closed or discarded as suspects Mr. Bryner said, five more are added. Such a plan will greatly increase production and salary.

Officials Bargain with Union

Elimination of Lapse Charge Is Sought in Negotiations with Major Company Representatives

MILWAUKEE — Three bargaining committees of the International Union of Life Insurance Agents, composed of industrial agents, have started contract negotiations with representatives of the Metropolitan, John Hancock and Prudential to secure collective bargaining recognition in the Wisconsin area.

Austin Schussler, New York, middle western superintendent of agencies of the Metropolitan, met with Michael Drury, Charles Arne, Charles Mendelssohn and Stephen Molnar, union representatives. In the negotiations with the Prudential, J. P. Mackin, vice-president, and Harvey B. Harris, division supervisor, both of Newark, conferred with a committee of Ted McCoy, William Harper, Joseph Simon, Morty Jansen, C. R. Hubbard and Art Schleifer. Meeting with Edward Brennan, Chicago, regional district superintendent for John Hancock, were N. O. Larssen, Sid Smith, Drury Simon, Ray Hartman, Harry Hamill and Atty. Raymond McCann for the union.

Elimination of the lapse charge, said to be a technical term for an unjust pay deduction, is the major demand of the

union. It is charged against a collecting agent whenever an industrial policy is dropped from his books despite the fact that other agents were paid the original commission. A uniform contract sought from the three companies also would include recognition of the union as bargaining agent, a single union contract replacing the individual contract system, relief from medical fees, and elimination of certain clerical and accounting duties. A trial board is sought to weigh grievances against union members brought by the company.

Since the union was organized a year ago, it is claimed to have obtained a five day work week, eliminated "blackboard pressure" tactics, secured vacations with pay, and voided double lapse charges.

The union will hold its annual convention in Milwaukee, June 10. Locals and members are claimed in Milwaukee, Racine, Kenosha, Madison, La Crosse, Sheboygan, Green Bay and Appleton, Wis.

Passes Hundred Million Line

Equitable Life of Washington, D. C., Has Made Excellent Progress in the Development of New Business

The Equitable Life of Washington, D. C., has passed the \$100,000,000 mark in insurance in force, its figures being \$100,151,642. This was accomplished in the May anniversary campaign in honor of its founder, A. C. Clark. In 1902 when the company went on a legal reserve basis it had \$2,325,483 industrial in force. The ordinary department was started the next year. However, it did not reach the million dollar mark in ordinary until 1912. Its total business passed \$5,000,000 in 1911. The 10 million mark was reached in 1916. In another five years it was close to 25 million. In five more years, by 1927, it had doubled its insurance in force, passing the \$50,000,000 mark. The \$75,000,000 mark was reached in 1935. The officers predict that by 1947 it should be well over \$200,000,000.

CHICAGO

JOINS H. S. VAIL & SONS

John O. Todd of Minneapolis, Million Dollar Round Table member, is joining the life insurance firm of H. S. Vail & Sons of Chicago. This will give the office two millionaires, M. D. Vail being in that class. The Vail office was founded in 1871 and is said to be the oldest independent life office in the middle west. It was founded by Henry S. Vail in 1871.

CURTIS APPOINTED SUPERVISOR

A. R. Curtis, who has been a brokerage supervisor in the life department of Cramsie, Laadt & Co., Chicago general agent Northwestern National Life, has been appointed a supervisor of the Continental Assurance, Insurance Exchange branch. Mr. Curtis has been in life insurance work since 1926, all of the time in Chicago. He started as an agent with the Travelers and after two years was appointed assistant manager of the Reliance Life, Chicago branch office. Two years later he went with the Aetna Life and then for three years or more was a broker writing general lines.

ENDORSE CITY MANAGER PLAN

Governor Horner's inclusion of city manager enabling legislation in his recent call for a special session of the Illinois legislature is approved by many prominent insurance men of the state. There are five bills which would permit Chicago to hold a referendum on the question whether it desires to install such a plan. Insurance men who back the movement include: L. H. Forbes, Guardian Life; N. C. Flanagan and J. E. Magnus, Lumbermen's Mutual Casualty; Isaac Miller Hamilton, Federal Life; J. F.

Oates, of Hobart & Oates, Northwestern Mutual Life; D. M. Cox, of Talbott & Co.; E. V. Dickson, New York Life; E. E. Henderson, Pacific Mutual Life; W. G. Johnson, Lyman, Richie & Co.; R. A. Kasper, Alliance Life; E. D. Lawson, Fireman's Fund; L. F. Maulloff; W. E. Longwell, Northwestern Mutual Life; W. R. Reynolds, Chidley & Reynolds, C. J. Zimmerman, Connecticut Mutual Life; W. F. Crawford, Equitable Life of Iowa; H. L. Maltenfort, Northwestern Mutual Life; E. B. Thurman, New England Mutual Life.

EBNER WITH CONOVER & GREEN

M. D. Ebner, who was vice-president and general manager of Builders & Manufacturers Casualty, has joined the firm of Conover & Green, Field building, Chicago, in the casualty division. This is an organization of consultants and actuaries for insurance companies, most of the members having in the past been connected with the Illinois insurance department. Mr. Ebner was connected with the Illinois department as a casualty and fire examiner from 1928 to 1935. He resigned at that time to go with Builders & Manufacturers. He is a well posted man who has had valuable experience for his new work. He is a graduate of the University of Illinois.

Family's Buying Power

MINNEAPOLIS.—Besides finding a dollar more in the monthly pay-check than was there in January, the average wage-earning family is saving almost another dollar and a half through the drop in food and other prices so far this year, according to a quarterly study of wages and living costs made by Northwestern National Life. However the average family's buying power is now just 53 cents a month greater than it was in 1933, the study shows, and is \$6 less than it was one year ago.

Jigsaw Puzzle Contest

Agents of Bankers Life of Iowa in June are engaged in a jigsaw puzzle contest. The portrait of President G. S. Nollen has been sawed to pieces and the agency that is able to reassemble the largest number of portraits will be the winner.

Payment of Wages Made in Silver Dollars Was a Very Vivid Impression

The importance of large payrolls in turning the wheels of business was given factual demonstration in Monmouth, Ill., when the Illinois Bankers Life paid its 250 employees in bags of silver dollars. The semi-monthly payment required over a third of a ton of the "cart-wheels."

The company requested employees not to deposit the money in banks but to use it for cash payment of purchases and accounts, in order that the entire community might have a practical illustration of the way a payroll of this size permeates and benefits every type of business.

While an unusual amount of office work was required to arrange payments in this way, the company was well repaid for the effort by the public interest aroused when the flood of silver cart-wheels began rolling into business houses throughout Monmouth and neighboring communities.

Silver dollars are a sufficient rarity in that locality to arouse interest in themselves, and a third of a ton of them created a sensation.

Benefit Operators Indicted

HOUSTON, TEX.—George W. Cottrell, president, and Charles G. Eidson, secretary National Mutual Benefit and the National TBA Benefit, with headquarters in the M. & M. building, were indicted by a federal grand jury on the charge of using the mails to defraud policyholders. The two men posted bonds of \$5,000 each. The indictment charged that Cottrell and Eidson, pretending that "their insurance companies were operated under supervision of the state department," advertised in the mails, offering policies similar to old line policies at less cost and without examination (medical); that the two took all the first three premiums paid in and 40 percent of all others paid by members for "running expenses." Policies seldom paid 100 percent, although there were monthly payments and assessments were levied. Usually, the indictment stated, the policies were settled for 50 percent of their face value.

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General Agents in West Virginia, North Carolina, and Maryland. We offer a complete line of policies, both participating and non-participating, at low cost. This is an opportunity for advancement.

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Robert V. Hatcher, Secretary

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OHIO SUPERVISOR WANTED

An experienced life insurance salesman to travel, train, and work with agents for North Central Ohio.

The appointment will pay a moderate salary and traveling expenses with opportunity for advancement.

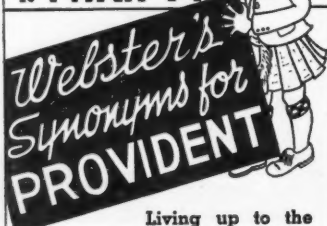
Age preferred 35-45.

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General Agencies are available to responsible representatives in North Dakota, South Dakota, Minnesota, Montana, Idaho, Washington and Oregon.

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NEWS OF LIFE ASSOCIATIONS

Holgar Johnson's Suggestion

Prominent Pittsburgh Leader Speaks at Philadelphia in Celebration of Pennsylvania Insurance Days

PHILADELPHIA.—Put on by the newly created Million Dollar Round Table committee of the Philadelphia Association of Life Underwriters, the Pennsylvania Insurance Days life insurance sales congress featured an exposition of sales methods that produce results by M. P. Brown and J. M. Stokes, Jr.

By means of the question-and-answer method, they explained frankly and explicitly their methods of prospecting soliciting, programming, servicing, etc.

H. J. Johnson, Pittsburgh general agent Penn Mutual Life and vice-president National Association of Life Underwriters, declared that "a new leadership is being born in our business out of the abnormal circumstances that exist today. Some recognize the fundamental situation, particularly those who have faith in the American people and confidence in their own ability and a belief in their institutions to the extent that they, realizing the moral effect underlying the business, forcefully present their ideas. They will be among tomorrow's leaders and will be those who will help to create a trend toward an aggressive optimism."

He remarked "we talk about 64,000,000 policyholders and 110 billions in force. That is only \$1,700 per person, which means that considerable pressure must be put forward for us to sell more business. 'But,' you say to me, 'am I expected to sell under present economic circumstances?' and my answer is 'Yes, if your attitude is one of an aggressive optimism.'"

How to Build Conviction

He remarked that one's beliefs in life insurance are dependent upon a thorough understanding of the primary function of the business—the replacement of the economic value of human life if (A) "we live too long or (B) die too soon."

To build conviction, he advocated (1) use the other fellow's help; (2) build your own courage by taking the same medicine you prescribe for others; (3) don't be afraid of circumstances. They are what they are, and you must have vision to see through to tomorrow and show it to the other fellow. Why shouldn't he wait? He had no reason why he should be sold; (4) this is the time to use your head and remember that your primary objective is to sell more life insurance. This is what we mean by using your head. Be aggressively optimistic, and don't listen to the grief. Tell the world the good things you see and know—there are plenty of them.

"Optimistic attitudes and beliefs help you to accomplish much," he said. "As a matter of fact, it is the thing which creates leadership. Leaders are born under abnormal circumstances."

The other speaker on the program was Milton Bacon, of Jacksonville, Fla., author of "Thirty Years with Dotted Lines."

Motschenbacher Nominated by San Francisco Body

SAN FRANCISCO—Vernon T. Motschenbacher, manager of the Sun Life, has been nominated for president of the San Francisco Life Underwriters Association. Other proposed officers are: Arthur K. Deutsch, Equitable Society, vice-president, representing the personal producers' section; F. J. Van Stralen, Massachusetts Mutual Life, vice-president, general agents and managers' section; Gerald F. McKenna, Continental Assurance, vice-president, Chartered Life Underwriters section;

and Robert C. Glassman, State Mutual Life, secretary-treasurer.

Gerald F. McKenna also was nominated for vice-chairman of the general agents and managers section and J. M. Mitchell, Fidelity Mutual, for secretary-treasurer.

The nominating committee was headed by Richard J. Shipley, general agent Northwestern Mutual Life.

Mr. Motschenbacher, who will assume his duties on July 1 following the formality of an election, has been manager of the Sun Life at San Francisco for three years prior to which he was manager at New Orleans.

It is expected the new officers will take over the reins at the luncheon meeting planned for June 29 at which time O. Sam Cummings, president National association, is to be the principal speaker.

Nels J. Nelson, northern California manager of the Reliance Life, is the retiring president.

Philadelphia New Officers

PHILADELPHIA—P. F. Murray, Penn Mutual agent and chairman of Philadelphia's recent "Annual Message Committee," will be the next president of the Philadelphia Association of Life Underwriters. The new officers will be formally elected and inducted into office at the annual meeting June 22.

Other officers are: H. H. McBratney, Provident Mutual Life, first vice president; I. R. Barton, Sun Life of Canada, second vice president; M. W. Lammers, Continental American Life, treasurer.

Directors to be elected for a three-year term are Paul B. Banks, Equitable of New York; F. J. Campbell, Prudential; A. C. Finkbinder, Northwestern Mutual Life; C. H. Orr, National Life and retiring president; L. U. Weaver, New York Life. Director for one-year term: Joel Korn, Connecticut General Life.

Claude L. Benner, vice president of the Continental American Life, will be the principal speaker at the meeting.

Arthur Nelson Montana Head

Arthur Nelson of Helena, agency manager for Bankers Life of Iowa, was elected president of the Montana State Life Underwriters Association at the annual meeting in Butte. Mr. Nelson is also president of the Helena association and secretary of the Montana State Managers Association.

Twin Cities—Jack Lauer, chairman of the Million Dollar Round Table, will address two large gatherings of life insurance men in the Twin Cities June 15. At noon he will speak at a luncheon meeting of St. Paul Life Underwriters, and in the afternoon he will address the annual meeting of the Minneapolis association.

Tyler, Tex.—An association has been formed here to serve the east Texas oil area. Participating in the organization were 32 men of the region as well as leaders in national and state affairs. O. Sam Cummings, National president, was active at the meeting. Clyde Warfield, Great Southern, Tyler, is the president, and vice-presidents have been selected from other east Texas associations including J. F. Dunning, Longview; F. E. Honeycutt, Henderson; T. W. Rutledge, Athens; C. Graham Smith, Jefferson Standard, Tyler, is secretary and treasurer and Arch Ramsour, Tyler, is national committeeman.

In the delegation of visiting leaders were O. D. Douglas, San Antonio, Texas association president; A. C. Raines, Ricks Strong, R. L. Thomas, and R. M. White, all of Dallas; Sam R. Hay, Jr., Houston, vice-president of the Texas association; O. P. Schnabel, San Antonio; L. R. Cook and H. D. Mouson, Jr., Fort Worth.

The first formal meeting will be held at Longview, June 11. Mr. Raines, who is Great Southern agency director for northeast Texas, will be the speaker.

Shenandoah, Ia.—Southwest Iowa now has a unit of the state association including the counties of Paige, Fremont and Montgomery. The group was or-

ganized at a meeting here. Officers elected were: President Floyd Young, Shenandoah; vice-presidents, George Mace, Clarinda, and R. L. Laird, Sidney; secretary-treasurer, B. E. Brower, Shenandoah; national committeeman, E. G. Anderson, Shenandoah, and state committeeman A. C. Anderson, Red Oak.

St. Paul—H. H. Ames, Prudential, is the new president; T. H. Tomlinson, Bankers Life of Iowa, vice-president, and A. G. Eaton, State Mutual, secretary. The directors are: Paul Cottingham, Mutual Life; M. N. Meyer, Guardian Life; C. W. Kleifgen, Metropolitan; Herman Rampmeier, Travelers; A. F. Breher, Northwestern Mutual, and D. H. Field, Prudential.

Louisville—E. A. Crane, Indianapolis general agent for Northwestern Mutual Life, addressed a luncheon meeting.

Missouri—The annual meeting will be held at Springfield, Mo., June 17-18. Dallas Alderman, president, announced a program of talks, including C. Vivian Anderson, Provident Mutual, Cincinnati, and Gale F. Johnston, Metropolitan, St. Louis.

Marshalltown, Ia.—Grady V. Fort, Des Moines general agent Equitable Life of Iowa, talked on "Heart Throbs."

Wichita, Kan.—Elmer Moore of the New York Life and Earl Watson of the Mutual Life of New York have been nominated for president. The program was given by the Travelers' office on "The Zero Hour When You See the Whites of Their Eyes."

San Francisco—Mrs. Mel, vice-chairman of the Pan-American Peace Conference, spoke to women members at a luncheon meeting.

Kansas City—The annual meeting and election will be held June 24.

South Dakota—The fall sales meeting will be held in Sioux Falls, it was decided at the annual state meeting in Huron. E. W. Lemonds, Sioux Falls, was elected president to succeed Andy Palm, Huron. R. V. Harlan, Sioux Falls, was named secretary-treasurer, and Cecil Duncan, Mitchell; Leroy Crawford, Aberdeen, and T. C. Murphy, Watertown, vice-presidents. Plans were discussed for formation of a chapter at Rapid City.

Salt Lake City—Officers will be elected at the June meeting. The following have been nominated: President, Fred J. Wagstaff, Mutual Life, New York; Sherman L. Hemstreet, Equitable Society; vice-president, two to be elected, Frank Mozley, Beneficial Life, Walter B. Furman, Prudential, Joseph V. Keating, Prudential, John J. Crane, Metropolitan Life; secretary-treasurer, Karl K. Kroeg, Business Men's Assurance, Joel Richards, New York Life; executive committee, six to be elected, Harry J. Syphus, Beneficial Life, Winslow F. Smith, Equitable Society; Charles L. Archer, Travelers; Ralph M. Kahn, Union Central; John D. Spencer, New York Life; Ray H. Peterson, Pacific National Life; Joseph T. Butler, Aetna Life, and William A. Walker, West Coast Life. William A. Carter, Penn Mutual, was elected national committeeman a year ago, for a term of three years. The committee recommends the election of an alternate, nominating F. Edward Walker, United Benefit Life.

Peoria, Ill.—Roy E. Davis, assistant general agent Aetna Life, has been nominated for president to succeed Hugh A. Shaw, agency manager Indianapolis Life. Election will take place at the June meeting. Others nominated are: Frederick A. Schnell, general agent Penn Mutual Life, first vice-president; Talbert G. Yerby, assistant superintendent Prudential, second vice-president; James W. Ross, Mutual Benefit, for reelection as secretary-treasurer. For directors: Mr. Shaw; James L. Hack, New York Life; F. Erle Cavette, Massachusetts Mutual, and Frank Manning. Mr. Schnell, presidential nominee, was also recommended as national committeeman.

Paul Speicher, Research & Review Service, spoke.

Mrs. J. M. Campbell, wife of the chairman of the board of the Colorado Life, died last week.

ACTUARIES

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FRANK M. SPEAKMAN
CONSULTING ACTUARY
Associates
Fred E. Swartz, C. P. A.
E. F. Higgins
THE BOURSE PHILADELPHIA

NEW YORK

Derby with Fifth Ave. Assn.

The position for which E. M. Derby left the executive management of the New York City Life Underwriters Association is that of general manager of the Fifth Avenue Association. The first announcement of Mr. Derby's resignation from the Life Underwriters Association merely stated that he would become general manager of "a large civic organization in New York City."

The Fifth Avenue Association has been instrumental in preserving the high quality of the Fifth Avenue retail district and in effecting many improvements along the avenue and the intersecting cross streets.

Bragg Opens Branch Office

An office in the Grand Central district in New York has been established by the J. E. Bragg agency of Guardian Life there. T. D. Semple is named associate manager of the agency in charge of the branch at 17 East 42nd street. Mr. Semple since 1922 has been a successful personal producer in New York. In 1933, he was appointed treasurer of Westchester county by Governor Lehman, but he resigned after a year to return to life insurance work.

N. Y. Millionaires to Meet

The metropolitan New York City group of the Million Dollar Round Table will hold its final meeting of the year at the Hotel Roosevelt June 10 at 6:30.

Brooklyn Supervisors' Outing

The Brooklyn Life Supervisors Association will hold its first annual all-day outing at the Island Hills Country Club, Sayville, L. I., June 17. There will be golf, tennis, horseshoe pitching, soft ball and ping-pong. Officers will be elected following dinner. C. E. Haas, educational director, Kee agency, Mutual Life of New York, is chairman of the program committee.

Continental American to Have Roundup of Managers

Continental American Life managers and general agents will gather in the home office in Wilmington, Del., for an

New District Manager of New York City Agency



MAX M. PARKER

Max M. Parker, new district manager of the Arnold Harmelin agency of the Columbia National Life in New York City, has an enviable record as a personal producer and assistant manager for the Metropolitan Life, having achieved top rank in production of ordinary business for the entire company in 1927.

intensive 24-hour managerial conference June 16-17.

Starting with lunch Thursday, June 16, the first and second line men in all Continental American agencies will hear training and recruiting problems discussed by graduates of the Sales Research Bureau's recent agency building school in Atlantic City; Matt Lauer, general agent in New York; Mart Lambers, manager at Philadelphia; L. Reynier Dukes, manager at Baltimore; and Len Kiesling, agency assistant in the home office.

William M. Rothaermel, agency vice-president, will address the meeting on Friday, and Ralph E. Halstead, supervisor of agencies, will present Continental American's new recruiting kit. Paul Speicher, R. & R. Service, is to be guest speaker, closing the conference at lunch.

Life Counsel Has Midyear Meeting At Hot Springs

(CONTINUED FROM PAGE 3)

U.S. 170 (1934) seems to dispose of any question arising under the third option, while a long line of cases beginning with *Gardner v. National Life* 201 N.C. 716, 161 S.E. 308 (1931) (N. C.), justifies the statement that the fourth option if selected by the insured withdraws the dividends from any question of application to extended insurance. The Williams case and the Tonoich case, (*Tonoich vs. Home Life of Amer.*, 309 Pa. 336, 163 Atl. (1932)), are authority that in the event the insured fails to select any option then the automatic provision is determinative of the application to be made of the dividend.

Discussion in Dialogue Form

Henry H. Jackson, actuary, and John M. Avery, attorney, of the National Life of Vermont, presented a discussion in dialogue form of some actuarial principles sometimes not accurately understood by judges and lawyers. Particular reference was directed to the determination of annuity reserves and the computation of continued term insurance and the discussion concluded with comments on surplus distribution and the recent New York policy loan legislation.

Attorney F. E. Dully's Talk

Attorney Frank E. Dully at the home office of the Travelers gave a very comprehensive paper on the "Life Insurance Law of Connecticut." It was the result of very careful study and analysis. Among the topics discussed were conflict of laws, statutory regulation and supervision, agents and brokers, contract and policy, premiums and premium notes, recovery back of premiums paid, assignment or transfer, abandonment, surrender, reformation and rescission, avoidance and forfeiture of policy through misrepresentation, non-payment of premiums, waiver and estoppel, causes of death, notices and proofs of death, arbitration, compromise and settlement, extent of liability of insurer, right to proceeds in general and rights of beneficiaries, payment or discharge of loss, subrogation, reinsurance, jurisdiction, process and venue, actions on policies—anticipatory breach, pleadings, presumptions and burden of proof, evidence, actions for premiums and on notes, double indemnity benefits, total and permanent disability benefits, group insurance.

Policy Loan Situation Under Review by Bradshaw

(CONTINUED FROM PAGE 1)

trict of Columbia, Idaho, Illinois, Indiana, Kansas, Massachusetts, Michigan, Minnesota, Nebraska, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Virginia, Wash-

ington, and Wyoming. All have provisions more or less similar to the New York provision.

Rhode Island law requires the policy contain provision for an automatic premium loan in event of nonpayment of premium. In seven states, Arkansas, Alabama, Florida, Nevada, North Carolina, South Carolina and Vermont, statutes contain no provisions requiring or referring to policy loans. Insurance laws of the remaining 17 states, Mr. Bradshaw said, although they do not necessarily require that the policy contain a promise to make a policy loan, do contain provisions which directly or by inference recognize that policy loans are permissible.

In recent years, he said, trend of decisions has been distinctly toward the view that an assignment by the insured will be fully effective as against a revocably designated beneficiary and that the rights of such beneficiary are subordinated to the rights of the assignee.

Makes Suggestion

"In view of this trend," Mr. Bradshaw said, "it is probable that the great majority of courts would now hold that a policy loan obtained by the insured would be fully effective as against a revocably designated beneficiary, even though the policy did not specifically provide that the consent of such beneficiary was not required, provided, of course, that the policy did not state that such consent was required." However, he said, it probably would be advisable to require either that the insured revoke the interest of the beneficiary or that the beneficiary join in the loan agreement if the policy does not specifically permit the insured to obtain loans without the beneficiary's joinder.

National "Ads" Promote Selling Idea With Agents

(CONTINUED FROM PAGE 6)

feel that he is a vital part of the heart of your company."

Other topics discussed in the forum were the charge made for direct mail material and the value of soliciting old policyholders for additional business. Victor A. Keppler, noted photographer, spoke on the relationship of photography to advertising. The photograph should ask a question. It is the "attention getter." The picture must be an aid to the page, he said. It must not conflict with the headline or the copy but must fuse with them. He described with illustrations the steps taken in making a color photograph.

In the afternoon session J. A. Peirce gave his address.

"Promoting the Use of Direct Mail" was the topic of Nelson A. White, Provident Mutual. He was followed by H. A. Richmond, manager advertising research Metropolitan Life, who talked on "Advertising That Builds Prestige for the Company," and K. R. Miller, Sales Research Bureau, discussing public relations in the life insurance business. Eric Hodgins, editor "Fortune," was the last speaker.

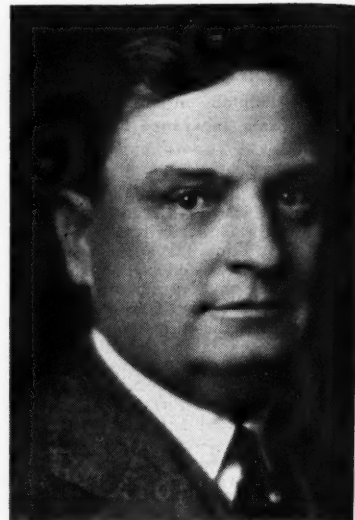
Tells Actuaries That They Must Look to Future

(CONTINUED FROM PAGE 1)

(b) The extension and improvement of the data and methods of the science which has its origin in the application of the doctrine of probabilities to the affairs of life and from which life insurance, annuity, reversionary interest, and other analogous institutions, including friendly societies, derive their principles of operation.

(c) The consideration of all monetary questions involving separately or in combination the mathematical doctrine of

Leader Honored



LEE J. DOUGHERTY

Recognition for outstanding work in the fields of public service, commerce and religion was given to Lee J. Dougherty, vice-president of the Occidental Life of Los Angeles when his alma mater, St. Ambrose College, awarded him the honorary degree of doctor of laws. The presentation was made at the annual commencement exercises Sunday. The citation for the degree made reference to his work as a mayor of Davenport, president American Life Convention, director and chairman of the resolutions committee of the U. S. Chamber of Commerce and his work in the fields of commerce and religion.

probability and the principles of interest.

Mr. Smith asked, "Are we in our turn preparing for a continued development of our profession to a point that is perhaps at present not fully within our line of vision?" He said such a question cannot be answered in definite terms. "It is sufficient merely to ask it, because our duty is plain. We must be keenly alive to afford adequate facilities for the training of an actuary for each and all of the institutions in which the actuary may be engaged."

Analyzing statistics of the occupations of fellows of the three societies, Mr. Smith observed a rapid and unexpected growth under the head of fraternal, commercial and miscellaneous. He mentioned criticism that has been levelled at the courses of training on these subjects. He suggested that something should be done to place more emphasis on the work required by fraternal orders, such as the valuation of their liabilities, which requires a well-tempered judgment, and upon the statistical analyses required by commercial organizations.

He said that commercial organizations are beginning to realize that the peculiar training given an actuary may enable him to solve easily and efficiently problems that have been a source of worry and inefficient, cumbersome routine.

"If I may venture a prophecy," said Mr. Smith, "it is that just as life insurance first employed actuaries in a consultative capacity, and ended with well-manned staff of fully qualified actuaries, so shall we see in the not distant future commercial and industrial companies employing not one but several well qualified and experienced actuaries. It behooves us therefore in our continuous review of our syllabus, our recommended courses of reading, and our methods of training, to keep this trend of modern business continually before us."

Company reports, policy facts, rates and values all covered completely in the 1938 *Unique Manual-Digest*. \$5. National Underwriter.

LEGAL RESERVE FRATERNALS

Fraternal Sales Congress

Celebrate Pennsylvania Insurance Days with a Meeting to Discuss Topics Relating to Their Group

PHILADELPHIA—Addressing the fraternal sales congress at the Pennsylvania Insurance Days, S. E. Walters, of the Lutheran Brotherhood, asserted that there was a definite trend away from part time agents in the fraternal field.

"Part time agents," he said, "hurt rather than help the fraternal insurance business," adding that he believed the paramount consideration should be whether the agent was good enough for the job instead of the old practice of accepting any and all applicants. He also advocated financial compensation for those responsible for the training of new men.

C. D. Grant, Junior Order United American Mechanics, declared that the public today expects the fraternal agent to have a full knowledge of life insurance. He recommended that the collection of premiums be put in charge of capable supervisors and not entrusted to local secretaries, who, in his opinion, were not always interested in holding the business. Paying tribute to fraternal insurance, he contended that it had stood the test of the recession as well as any business, justifying the public's faith in it.

Declaring that there were too many small foreign speaking societies, John H. Dzwonczyk, Russian Brotherhood Organization of U. S. A., recommended that many of them be merged into a few large ones.

He pointed out that immigration restrictions and the education of the newer generations in American ways, had altered the situation of foreign speaking societies, making their problems today similar to those of American companies.

Roy Mahaney, Woodmen of the World, discussed maximum production of fraternal insurance. J. L. Wilmeth, president of the Pennsylvania Fraternal Congress, was chairman of the meeting.

J. S. Myrick's Record

The J. S. Myrick office of the Mutual Life in New York City paid for \$1,281,588 in May as against \$2,115,558 in May, 1937. For the year to date the total was \$8,107,749 as against \$12,092,666.

Progress

with

Stability and Safety

New issued and paid-for business written by the Representatives of Lutheran Brotherhood for the first four months of 1938, amounted to \$2,676,334.00. An increase over the same period of 1937 amounting to

24 1/4%

Total insurance in force to date (April 30, 1938) stands at

\$62,611,159.00

Progress with Stability and Safety has always characterized the well-rounded growth of this Society during its first twenty years of Life Insurance Service for Lutheran Men, Women, and Children.

Splendid opportunities await those who can qualify as representatives. Address your letter to Superintendent of Agencies—

LUTHERAN BROTHERHOOD

Legal Reserve Life Insurance
Herman L. Ekern, President
HOME OFFICE: Minneapolis, Minn.

Equitable Reserve's Muster

Supreme Assembly Will Hold Its Annual Conclave in Milwaukee—Judge J. C. Karel Will Preside

The supreme assembly of the Equitable Reserve of Neenah, Wis., will be held at the Pfister Hotel, Milwaukee, June 1-15. There will be a reception and dance the first evening. J. C. Karel of Milwaukee will preside over the business sessions, starting the morning of June 14. Mayor Hoan of Milwaukee will give the welcome and the response will be made by J. E. Brown of Lansing, Mich., supreme trustee. Judge Karel will give the report of his office; N. J. Williams, vice-president, Secretary G. A. Comstock and Treasurer J. S. Tolerson will report. The afternoon will be spent in a tour of Milwaukee. The banquet will be held in the evening. On the next day Dr. G. H. Williamson, medical examiner and Publicity Manager D. W. Dunham will give a report. There will be various committees that will report.

President Doyle's Message

Head of the New England Order of Protection Announces Action Taken by Supreme Lodge

Mary M. Doyle, supreme president of the New England Order of Protection states that at the annual session of the supreme lodge this month all offers for securing new adult members heretofore in force are canceled as of July 1, except for those agents who have contracts granted by Agency Director Hughes. An amendment was made to the by-laws which will relieve all members who have or will have attained age 80 from further payments as of July 1, by making their certificates fully paid up.

Dr. H. A. Chase is made medical examiner, W. T. Eldridge, actuary; G. P. Healy, editor, and Ivanilla M. Cahoon, juvenile director. G. M. Hughes, field manager, was connected with the Macabees for eight years and during some five years of that time was head of the claims department. During the last two and a half years he has been state manager in Maine.

K. of C. Makes Progress in Wisconsin, Group Hears

STEVENS POINT, WIS.—Increases in insurance and association membership in the past year and progress in activities were reported at the annual state convention of the Knights of Columbus here. State Secretary E. J. Carrigan reported increase of 403 members, with 8,066 insurance members and 7,637 associate members, a total of 15,703. Insurance gain was 262 members, associate 141. By June 30 this year he predicted membership would be more than 16,000.

In his annual report, State Deputy B. A. Kennedy said the Wisconsin state council has a good insurance record under direction of W. T. Sullivan of Kaukauna. More than \$1,100,000 insurance was added in the fiscal year. Mr. Sullivan later was elected state deputy to succeed Mr. Kennedy.

Observe 55th Anniversary

MILWAUKEE.—More than 1,000 Catholics observed the 55th anniversary of founding of the Catholic Order of Foresters with a solemn high mass and initiation ceremonies at Holy Ghost church and school here. First and second degrees were conferred on 135 persons by Chief Rangers J. J. Weiler and A. R. Ganiere. Anniversary breakfast speakers included Charles Colby, Chicago, high court trustee; D. F. Ryan,

Milwaukee, state secretary; John Brennan, Shorewood, state treasurer, and Gilbert Leack, West Allis, district secretary. Archbishop Samuel Stritch pontificated at the mass.

"Fraternal Monitor" Publications

The "Fraternal Monitor" of Rochester, N. Y., has issued the 1938 edition of "Statistics of Fraternal Societies," giving full information as to practically all the organizations of that character in the country. It has also issued the "Consolidated Chart of Insurance Organizations" concerning 384 fraternal, life companies and assessment associations. The first book sells for \$1.25 and the second, \$1.

Eggert Now Heads Order

LINCOLN, NEB.—The Sons of Herman, a fraternal with a million in force in Nebraska exclusively among German families, at its annual convention elected William Eggert, Columbus, president to succeed W. O. Voss, Omaha. New vice-presidents are: O. C. Meyer, Grand Island, and William Willers, Pilger; secretary, Henry Luckey, Grand Island, and treasurer, William Zeigler, Omaha. Reports from officers showed the order in good financial condition and making steady conservative progress.

Patterson Inspects Hospital

Col. T. E. Patterson of Omaha, Neb., vice-president of the Woodmen of the World and chairman of its hospital committee, inspected the Woodmen of the World Hospital at San Antonio, Tex. He was accompanied by Mrs. Patterson.

E. A. Rieder Advanced

E. A. Rieder of the Mutual Life of Canada group department has been made assistant actuary. He was graduated from the University of Toronto in 1931 and as a fellow of the American Institute of Actuaries and an associate of the Actuarial Society of America.

Bank Official, as Policyholder, Asks Mystery Removal

(CONTINUED FROM PAGE 9)

living value, and less on crape hanging, a great many more doormats carrying the word 'welcome' to genuine life insurance agents will be found."

G. A. Eubank, Prudential, president of the association, introduced the speaker.

Peoria Men On Excursion

Again the United States sub-chaser, assigned to the Peoria district of the Naval Reserve, was utilized for the annual boat excursion of the Peoria, Ill., C. L. U. Fifteen members with their wives were the guests of Commander Ralph C. Lowes, one of the members of the chapter. The group was taken up the Illinois river to Chillicothe where the regular monthly meeting of the chapter was held after a chicken dinner at the North Shore Country Club.

Kenmuir, Pa. Liquidation Head

John E. Kenmuir of Upper Darby has been appointed a special deputy of the Pennsylvania department in charge of liquidations. He succeeds L. H. Erickson. Mr. Kenmuir has been in the liquidation division. Eighty-one companies which failed in the five years previous to 1935 are under supervision of the division. No company has failed since Jan. 1, 1935.

New Massachusetts Deputy

BOSTON—Commissioner Harrington has appointed J. S. O'Leary of Milton, third deputy commissioner.

Social Security Slide Rule \$1. Order from The National Underwriter.

WOODMEN OF THE WORLD

LIFE INSURANCE SOCIETY

A Legal Reserve Fraternal Founded in 1890

Paid to members and their beneficiaries more than.....\$285,000,000
Insurance in force more than..... 420,000,000
Admitted assets more than..... 125,000,000
Certificates of insurance contain modern privileges to meet every need.

De E. Bradshaw, Pres.

Omaha—Nebraska

THE PRAETORIANS

National Headquarters—Praetorian Building

DALLAS, TEXAS

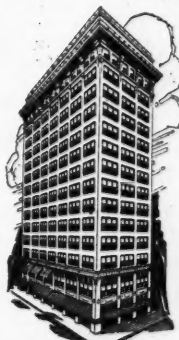
ORGANIZED—1898—FORTY YEARS OF INSURANCE SERVICE

Issues FRATERNAL LEGAL RESERVE LIFE INSURANCE on standard forms, ages 0 to 60. Amounts \$200 to \$20,000.

Operates strictly on the LEGAL RESERVE PLAN. Realizing that it is the LEGAL RESERVE that puts the safety under policies regardless of whether the system is Stock, Mutual or Fraternal.

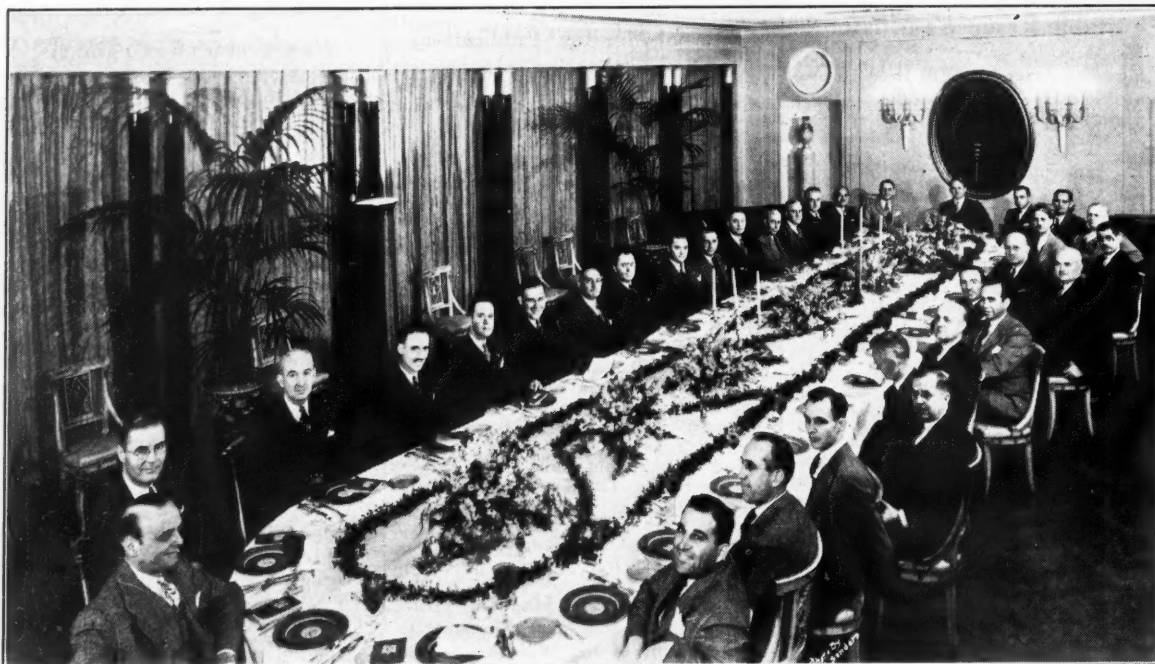
If it is LEGAL RESERVE, the strength is there.

Pays Seventeen Different Ways



Praetorian Building
Dallas, Texas

FETE NEW CENTRAL STATES LIFE OFFICIAL



St. Louis general agents representing 25 companies were guests of Alfred Fairbank, president of Central States Life of St. Louis, at a dinner. The guest of honor was Fred D. Strudell, newly elected vice-president of the Central States.

A novel feature of the program was Mr. Strudell's introduction, a speech made by Mr. Tiny, a ventriloquist's dummy.

The general agents and Central States Life men who attended were (reading from the foreground and to the left):

Arnold G. Stifel, director; Gordon P. Henderson, secretary; J. DeWitt Mills, vice-president; D. L. Burkley, Phoenix Mutual; C. D. Meyers, Marsh & McLennan; Frank Vesser, Reliance Life; Edmund Burke, General American; W. S. Payne, Prudential; J. G. Callahan, Metropolitan; Ray Martin, Home Life; H. H. Cammack, John Hancock; Fred T. Rench, National Life of Vermont; Rex N. Rafferty, Pacific Mutual; H. L. Cantelon, Sun Life; Adam Rosenthal, president St. Louis Life Underwriters; Fred Strudell, guest of honor; Alfred Fair-

bank, president; Gale Johnston, Metropolitan; W. H. Van Sickler, State Mutual; George Barnes, New England Mutual; Wellborn Estes, Aetna; Adrian Klein, Mutual Benefit; Jack W. Sears, Travelers; George L. Dyer, Columbian National; W. F. Busch, Northwestern Mutual; Ralph D. Lowenstein, Massachusetts Mutual; A. E. Veith, Massachusetts Mutual; F. E. Gunter, director; M. A. Nelson, Equitable Society; Alan Beck, advertising manager; Carl M. Vaughan, Equitable of Iowa; Frank R. Philpott, Monarch Life.

Pennsylvania Days Covered Subjects of Wide Scope

(CONTINUED FROM PAGE 4)

named first vice-president. Three new directors also were elected. They are Charles H. Bokman, Pittsburgh; James T. Haviland and J. H. R. Timanus, both of Philadelphia.

No convention site was selected for 1939 but there was a strong desire expressed on the part of numerous members that the Insurance Days next year be held at Skytop in Pennsylvania's Poconos.

There were rather large attendances at several of the conferences, the largest being at the life congress, which found the meeting room jammed and late comers standing outside the door, and at the combined industrial life and accident luncheon. The smoker found the convention utilizing the entire roof of the hotel to take care of an estimated attendance of 1,200. Close to 700 were present at the banquet.

Wants Full Cooperation

In his remarks at the banquet, Mr. Stevenson amplified still further his plea of the previous day for the active cooperation of all branches of insurance; that there is no competition between the various lines, and that the federation presents an organization to bring together all lines to work in complete cooperation.

"We think that people can't miss the importance of the individual branches of our business," he said, "but they too often do. However, the Pennsylvania Insurance Federation gives us a common meeting ground."

Samuel J. Carr, Philadelphia, resident vice-president Standard Accident and

general chairman of the convention committee, opened both the first day's luncheon and the banquet the closing night.

Dr. Huebner a Speaker

Foremost speaker at the opening luncheon was Dr. S. S. Huebner of the Wharton School of Finance of the University of Pennsylvania. The president of the American College of Life Underwriters advocated the establishment of a professional movement designed to create chartered property and casualty insurance degrees similar in character to C. L. U. Other speakers all were members of the Pennsylvania insurance department.

D. E. Vollmer, chief policy analyzer of the department, criticized ambiguous phraseology in policies, particularly the registration and identification clause in accident and health contracts.

Describing the great advancement of group life insurance, he urged the companies to provide during the 30 days between the termination of employment and the conversion of the policy. He also described as a disadvantage of group insurance the general tendency to discourage the employee from taking out additional life insurance in the mistaken belief that he is adequately protected under the group plan.

D. R. Roche, chief compensation actuary, gave a talk.

The manner in which the department had educated the public to its work was described by Joseph A. Sexton, research director.

John A. Diemand, executive vice-president Indemnity of North America, was

Beale Agency Holds Rally

Sixteen attended a meeting of the Memphis agency of Colorado Life of which C. W. Beale is manager. W. L. Baldwin, vice-president of the company, was the guest speaker.

chairman of the smoker, which, in addition to a talk by Zenn Kaufman, New York City author and lecturer, featured a floor show.

Friday night's banquet had as the principal speakers W. A. Landvoight, supervising agent of the third Pennsylvania district of the United States Secret Service, and Commander C. E. Rosen-dahl of the United States naval air station at Lakehurst, N. J. However, the affair actually was a tribute to John W. Donahue and the Philadelphia resident vice-president of the Maryland Casualty was eulogized by John Stevenson, S. J. Carr, W. F. Wingett and Commissioner Hunt.

American National Rally of Agents Is Impressive

(CONTINUED FROM PAGE 8)

though solicitous government that does the thinking and the saving for it.

"We have been playing with this job for a long time and not making a great deal of progress," Mr. Werkenthin said, "and in view of recent experiences, it may not be too much to fear that an impatient government, reflecting the attitude of an impatient and reckless people, may step in and try to take over the business which falters so much in its slow, forward march."

"I feel sure that all of us life insurance men deplore the extension of the government's activities into the realm of private enterprise. I am sure that governments cannot act as quickly nor as well as private agencies when they can act at all. Government usurpation of private business must of necessity bring on more and more invasion of private fields and must inevitably lead to the breakdown of individuality and individual strength and initiative; the creation

of larger governmental powers, the lessening of individual liberty, the great willingness to let the government do it; the final, complete ordering of our lives by those in place of authority. This is an insidious process. It may not come in a burst of revolution but by slow degree, and may be recognized only after it is an accomplished fact.

Problem of Old Age Retirement

"However, do not let us forget that these acute problems must be solved, and if private enterprise does not find the way to solve them and does not then accomplish the solution, government will."

He said life insurance has failed, at least partially, in solving the problems of old age retirement so that the government has stepped in. However, it is not too late. A government solution is not a complete answer to the question.

A general meeting was held the first day, followed by separate industrial and ordinary agency business meetings. There was a garden party for visiting ladies at the home of Mrs. C. W. Compton, wife of the public relations counsel, and the convention banquet that evening. The next morning was devoted to visiting the home office and a luncheon for visiting ladies; the afternoon to golf and fishing.

At the general meeting of the first day, with Mr. Thompson as chairman, Governor Allred of Texas gave an address. The invocation was by D. O. Stohl, branch manager ordinary department, Phoenix, Ariz., and response to the welcome by E. C. Pollard, division superintendent industrial department, Lubbock, Tex., and A. A. Hendricks, branch manager ordinary department, Portland, Ore.

Home office officials were introduced and talks given by Mr. Werkenthin and by W. J. Shaw, vice-president and secretary.

Business Conferences

At the ordinary and industrial business meeting E. A. Rees, manager industrial department, and G. S. McCarter, superintendent of agencies, respectively, were chairmen. Mr. McCarter is very popular with the agency force and through his able direction his department has paid for considerably more than the quota set Jan. 1, which at the time seemed difficult of attainment.

At the ordinary department meeting, talks were given on sales subjects by W. E. Crain, Bogalusa, La.; A. M. Yampolsky, St. Louis; A. J. McElveen, Columbia, S. C.; D. W. Cunningham, Houston; P. E. Ellis, Paris, Tex.; Mrs. C. M. Powell, Queen City, Tex., the only woman agent who qualified for the convention; E. L. Moore, San Antonio; R. D. Marr, Windsor, Col.; Miss Lillian Titford, Honolulu; D. W. Dornier, Eugene, Ore.; L. Christopherson, Garland, Utah; R. M. Jeppson, Black Root, Idaho; L. A. Tretter, Long Beach, Cal. The new Anico Club officers then were installed and the meeting summed up by Mr. McCarter.

Interesting Record of Achievement

Mr. Werkenthin in his talk reported the agents wrote \$178,000,000 industrial insurance and \$52,000,000 ordinary, the total policies numbering 657,000. Industrial business has increased \$35,000,000 and ordinary \$25,000,000; premium income increased \$1,344,000 and assets increased \$5,777,000. Insurance in force now is more than \$700,000,000, he said.

Governor Allred, speaking at the banquet, paid tribute to the fine leadership to W. L. Moody, Jr., founder and president, and W. L. Moody, III, executive vice-president, for the phenomenal growth of the American National in its 33 years of existence.

The meeting of the industrial section Thursday afternoon was opened by Assistant Manager O. M. Curb of the industrial department, who introduced E. A. Rees, manager of the department. Other officials who spoke were Vice-president F. B. Merkle, Vice-president B. Werkenthin, Vice-president and Secretary W. J. Shaw, Supervisor H. E.

(CONTINUED ON LAST PAGE)

Sales Ideas and Suggestions

Baby Bonds Are Popular But Insurance Is Better Buy

NEW YORK—The volume of United States baby bonds that is being sold is surprising in view of the superiority of life insurance on practically all counts and the ease with which this can be demonstrated. Except for exemption from income tax—usually of small practical importance—life insurance is a better investment in every way. Yet in one of the smaller suburbs of New York City approximately \$27,000 was put into baby bonds in three months.

A New England Mutual life representative had occasion to work out a comparison for a client who had been buying one baby bond a month. Each bond costs \$75 and matures 10 years later for \$100. The agent made the comparison not on the basis of a policy exactly comparable with the baby bond—which would be an endowment form—but used a retirement policy with insurance protection as being better fitted to the prospect's needs and more conclusively demonstrating the superiority of life insurance.

Income Lasts 10 Years

A man buying a bond every month for 10 years and then quitting would have an income of \$100 a month for ten years, after which time there would be no more income or principal. However, if he should cash in his bonds after buying one a month for 10 years he would have \$10,118 in cash, since only one bond would be 10 years old and the rest would have run for successively shorter periods.

The man who follows such a program would have put in \$9,000 and would get \$12,000 in return, but only if he waited for it to be spread out over the ensuing 10 years. The actual cash value of his investment 10 years from the day he bought his first bond would be only \$10,118.

Provides Cheap Protection

Here, in effect, is what the agent was able to tell his prospect, who is 45 years old:

"A retirement income policy on the 10 year plan will give you at age 55 \$10,120 in cash. Assuming the present scale of dividends you will have put in not \$75 a month but \$77.70. However, for this \$2.70 a month in excess of the baby bond cost you will have immediately \$5,500 of life insurance protection if you should die. This is less than 50 cents a month or cheaper even than group insurance.

"But if you live, as you probably will, you will have \$10,120, almost exactly the same as the value of your baby bonds, so you are, to be exact, \$2 better off by building up this amount through life insurance. However, the important thing is what you are going to do with this sum of money. You know that the \$10,118 you get from your baby bonds is the equivalent of \$100 a month for 10 years, after which there would be no principal or income left. Exactly the same thing can be done with the \$10,120 you would receive from the life insurance company.

Life Income Assured

"But suppose you want a life income? If you want to buy a life income with your baby bonds money you have got to do it on the open market. Assuming that the annuity rates will be the same then as they are now—and there is no assurance that they will be—your \$10,118 will buy you, at age 55, \$56.26 a month on a straight annuity basis, with no refund whatever or \$48.67 a month

on the cash refund basis. Your wife is 15 years younger than you. If you were to die just when you received the \$10,118 your wife could take the money and buy an annuity on her own life which would pay her \$39.06 a month on a non-refund basis, since there would be no need for income to anyone else if she were to die.

"Now, let's see what you can get for the \$10,120 that your life insurance contract would be worth. Of course, if you wished, you could have \$100 a month for 10 years, after which the principal would be all used up. On that score the life insurance contract is on an exact level with the baby bond. But look at the difference from an income point of view—and income is what you really are interested in. On a basis of 10 years certain and life thereafter you can have \$60.21 a month or \$4 a month more than the non-refund annuity you would have to buy in the open market with your baby bond money. You get \$4 a month more and a guaranty of payments for at least 10 years no matter when you might die before the end of that period.

Superior on Refund Basis, Too

"If you want the annuity on the cash refund basis you can have \$54.55 a month, or \$6 a month more than you could buy a cash refund annuity for in the open market.

"If you were to die just ten years from now the \$10,120 would buy your wife a life income of \$45.14 a month, and guarantee payments for at least 10 years even though she were to die within 10 years. This is \$6 a month more than she would receive on a non-refund basis if the money were in baby bonds and she were to buy the annuity on the open market.

"In addition, you can borrow on your life insurance values but you could not use your baby bonds as collateral for they are non-transferable and non-assignable. If you wanted to raise money on them you would have to cash in one or more of them. Also the bonds have nothing corresponding to the settlement options of life insurance. There can be

only one beneficiary, and there is no protection from either your creditors or those of the beneficiary.

"Baby bonds are subject to federal estate taxes and state inheritance taxes, while life insurance is free from federal estate tax up to \$40,000 payable to a named beneficiary and free from all state inheritance taxes. The baby bond does have the advantage of being exempt from income tax. However, if you take your insurance values as income the amounts subject to inclusion as taxable income will be extremely small until the tax-free portions have been returned to you and after that time your income will probably be low enough so that your exemptions will offset any tax you might otherwise have to pay."

One bright spot in the baby bond's popularity is that no agent need hesitate to advise a prospect to switch from putting his money into baby bonds to investing it in a suitable form of life insurance or annuity. The man who is putting so much money a month or a quarter into baby bonds can swing his program over to life insurance and suffer no financial loss.

Authority Cites the Value of Insurance

The "Encyclopedia Britannica" says: "The value of insurance as an institution cannot be measured by figures. No direct balance sheet of profit and loss can exhibit its utility . . . but the results in the social economy, the substitution of reasonable foresight and confidence for apprehension and the sense of hazard, the large elimination of chance from business and conduct, have a supreme value. The direct contribution of insurance to civilization is made, not in visible wealth, but in the intangible and immeasurable forces of character on which civilization itself is founded. . . . It has done more than all gifts of impulsive charity to foster a sense of human brotherhood and of common interests. It has done more than all repressive legislation to destroy the gambling spirit. It is impossible to conceive of our civilization in its full vigor and progressive power without this principle which unites the fundamental law of practical economy, that he best serves humanity who best services himself, with the golden rule of religion, 'Bear ye one another's burdens.'"

Graduates' Life Insurance

This is the time of the year when young people are graduating from high school and colleges. The E. F. White agency of the Connecticut Mutual Life at Dallas gives the following information:

Situation—An elderly salesman who had worked principally among young men just starting in business found his prospects gone because of the present plight of the recent college graduate. He worked among young men for so many years that he could not work successfully with other types of prospects.

Plan—Decided to try the graduating class of the best high school in his city. Secured a list of the graduating class, sorted the names down to 100. Called on the fathers of the 100, stressing the value of thrift training, the permanence of a graduation present of a life insurance policy. Sold 14 a total of \$36,000. As a by-product sold three fathers \$5,000 each as protection during their sons' college years.

Continued the program a second year at the same school, selling 21 cases for \$22,000 on the lives of students and four cases for \$21,000 to fathers. During this second year, started the effort in two other high schools, with approximately

the same production results. In one of these, found two graduations a year, enabling him to spread out this work. The program as a whole accounts for around one-third of his production, but is more than his total production of two years ago.

A third year of this brought a material increase in effectiveness, and one important addition, making the program a year-round plan instead of a special drive. This consisted in watching events throughout the year, using every possible excuse to suggest the purchase of life insurance as a reward for prowess in school. The leads were secured by reading newspapers and school papers, while valuable suggestions were made by self-appointed "scouts" among the students. Events utilized included prowess in athletic events and sports, recognition in school societies requiring academic standards, membership on honor lists, and the like.

This idea should not be limited to the type of salesman who discovered it. Especially timely, it could be worked with a strong personal appeal by anyone whose father started him off at a young age with even a small life insurance policy.

How Lou Behr Originated Famous Work Sheets

It is interesting to learn how those work sheets of Lou Behr, million dollar producer for the Equitable Society in Chicago, which have proved so popular, were originated. Some 70,000 of these sheets have been sold and they have proved an instrumentality by which a good many agents have been able to organize their activities in a more effective way.

Some four years ago Mr. Behr undertook to give some instructions to a friend of his who was just entering the life insurance business. He had before him a large sheet of paper and he illustrated the points he was making by drawing a diagram. The steps that he outlined on the paper represented what Mr. Behr advocated that the new man should do, but Mr. Behr states that what he was then advocating he was not himself doing. When he had finished, the idea struck Mr. Behr that he had constructed something worthwhile. He showed the work sheet to Dr. Van Arsdall, who was at that time a teacher for the entire Equitable field force. It impressed Dr. Van Arsdall, who at that time was in Chicago giving instruction to members of the Lustgarten agency with which Mr. Behr is identified.

It impressed Dr. Van Arsdall favorably and it was introduced in the Lustgarten agency as an experiment. It worked well and the story of the work sheets began to get around. Mr. Behr had the device copyrighted and there has been a continuing demand for these work sheets. Mr. Behr is on the circuit a good deal and a good many of those in the audience always put in their orders for these work sheets after they have heard Mr. Behr explain his technique. They are sold by THE NATIONAL UNDERWRITER.

Strive for App-a-week

Robert M. Williams, Little Rock general agent for the John Hancock, gives the following good advice in his agency bulletin:

"Total up the weeks in which you failed to write an application and resolve during the coming year to improve your record. Statistics show amazing and direful results through failure to write an application each week when all of the weeks were thrown together. Even though an agent would get an application for \$1,000 only during the scoreless weeks, it would amount to an appreciable volume during the entire year, to say nothing of the additional commission and renewals."

One agent calls his App-a-Week Club membership his most valuable affiliation. There are no dues—in fact, members find themselves receiving a most gratifying income.

Billy Goat Month Observed by the Protective Life

May is "Billy Goat" month for the Protective Life of Birmingham. Live goats are to be awarded the agency in six different volume classifications which produces the least business. T. J. Hammer, director of agency service, said the idea has stirred up much interest.

Some of the agents accuse Mr. Hammer of planning to pack his flock of goats off on them. Following an attack of pleurisy some months ago the doctors prescribed goat milk for Mr. Hammer. He found it cheaper to buy the goats and do his own milking than to buy the milk.

Average Method Is Suggested for the Valuations

(CONTINUED FROM PAGE 1)

"For subsequent years, multiply the association value of the previous year by four, add to that the mean between the highest and lowest quotations for the period Jan. 1 to Nov. 1 of the year of statement and divide the results by five.

Proposal Further Explained

"For all years—stocks required during year of statement should in no event be carried at values higher than actual cost. A test check made on 25 representative stocks indicates that the average values produced on this basis for use in the 1938 statements will probably be higher than actual market quotations even if there should be a considerable rise in the market toward the end of this year.

"You will see that, after the first year, the mean between the highest and lowest quotations for the year of statement always has a weight of 20 percent in the average value for that year, although the weight for the previous years always decreases. It shows that in the average value for 1947 the values used for 1934-1938, inclusive, would each have a weight of only 2.7 percent."

Submits Some Questions

Mr. Pink asked for answers to the following questions:

"(1) Do you consider it advisable to adopt a system of average values and permanently abandon the use of actual market quotations of a particular date?"

"(2) If your answer to the previous question is in the affirmative, do you believe the plan outlined herein will be satisfactory?"

"(3) Should the plan apply to bonds of corporations as well as to stocks?"

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P. G. B. MORRIS, Manager

"(4) Can the law of your state be interpreted as empowering you to require companies to use average values if they are: (a) higher than market quotations? (b) lower than market quotations?"

"Have you any suggestion to offer as an improvement of or an alternative to the plan?"

How Plan Will Work

The memorandum attached to Mr. Pink's letter giving an illustration of how the plan would work in actual practice, was:

The association value for Dec. 31, 1938 would be determined by adding together the values printed in the valuations of securities books for Dec. 31, 1934 to 1937, inclusive, and the mean between the highest and lowest quotations during the period Jan. 1, 1938 to Nov. 1, 1938 and dividing the result by 5. Test checks show that the values ascertained on this basis will probably be slightly higher than the Dec. 31, 1938 market quotations and is a simple foundation for averaging values in future years. It is the only year in which all the contributing factors are given equal weight.

In order to determine the association value for Dec. 31, 1939, we multiply the association value of Dec. 31, 1938 by four and add thereto the mean between the high and low for the period Jan. 1 to Nov. 1, 1939. The result of that computation is then divided by five. The method of determination of the Dec. 31, 1939 association value, automatically gives a weight of $\frac{4}{5}$ to the quotations during 1939 and a weight of $\frac{1}{5}$ to the combined values of all of the five prior years. This gives each of the years prior to 1939 a weight of $\frac{4}{25}$ or 16 percent, which is naturally less than the weight of $\frac{1}{5}$ or 20 percent given to the most recent year (1939).

Similar Automatic Adjustment

Year after year, as the procedure is continued, there is a similar automatic adjustment whereby the quotations of the year then current is always given the relative weight of 20 percent of the entire value and each of the years prior thereto given a smaller relative weight. The theory is brought to a logical conclusion because the importance of each year's quotations is always weighted in the order of its recency. The weight given to each year's quotations is illustrated in the following table:

Table showing the approximate relative weight given to quotations used in determining average values for each of the years 1938-1947, inclusive.

Weight Given to Each Year	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947
1934.....	.200	.160	.128	.102	.082	.066	.054	.042	.034	.027
1935.....	.200	.160	.128	.102	.082	.066	.054	.042	.034	.027
1936.....	.200	.160	.128	.102	.082	.066	.054	.042	.034	.027
1937.....	.200	.160	.128	.102	.082	.066	.054	.042	.034	.027
1938.....	.200	.160	.128	.102	.082	.066	.054	.042	.034	.027
1939.....	..	.200	.160	.128	.102	.082	.066	.054	.042	.034
1940.....	..	..	.200	.160	.128	.102	.082	.066	.054	.042
1941.....	..	..	..	.200	.160	.128	.102	.082	.066	.054
1942.....	..	..	..	..	.200	.160	.128	.102	.082	.066
1943.....	..	..	..	..	..	.200	.160	.128	.102	.082
1944.....	..	..	..	..	..	..	.200	.160	.128	.102
1945.....	..	..	..	..	..	..	..	.200	.160	.128
1946.....	..	..	..	..	..	..	..	..	.200	.160
1947.....	..	..	..	..	..	..	..	..	..	.200

The column for 1938 shows that the relative weight for each of the five years 1934-1938 inclusive is 20 percent.

The 1939 column shows that each of the years 1934-1938 inclusive is given a relative weight of 16 percent and 1939 is given a relative weight of 20 percent.

The 1940 column shows that each of the years 1934-1938 inclusive is given a relative weight of 12.8 percent, 1939 is given 16 percent and 1940 is given 20 percent.

The 1941 column shows that each of the years 1934-1938 inclusive is given a relative weight of 10.2 percent, 1939 is given 12.8 percent, 1940 is given 16 percent and 1941 is given 20 percent.

This scaling down of weights continues until the very old years become almost insignificant in importance. The very recent years are always most important.

For instance, the 1947 column shows that each of the years 1934-1938 inclusive, is given a relative weight of only 2.7 percent, 1939 is given 3.4 percent,

Conventions

June 2-4—Texas Association of Life Underwriters, Galveston.

June 9-10—Canadian Life Insurance Officers Association Annual Meeting, London, Ont.

June 8-9—Canadian Association of Life Agency Officers, London, Ont.

June 15-17—National Association of Insurance Commissioners, Hotel Frontenac, Quebec, Can.

June 15-17—National Negro Insurance Association, Phyllis Wheatley Association building, Cleveland.

June 16-18—American Life Convention, Medical Section, Asheville, N. C.

June 17-18—Missouri Life Underwriters Association, Springfield, Mo.

June 26-27—California State Life Underwriters Association, Clift Hotel, San Francisco.

June 26-28—California State Association of Life Underwriters, San Francisco.

Aug. 1-2—Federation of Insurance Counsel, Grand Hotel, Mackinac Island, Mich.

Aug. 22-25—National Fraternal Congress, annual meeting, Toronto, Can.

Aug. 31-Sept. 3—International Association of Insurance Counsel, Grand Hotel, Mackinac Island.

Sept. 12-14—International Claim Assn., White Sulphur Springs, W. Va.

Sept. 19-23—National Association of Life Underwriters, Rice Hotel, Houston, Tex.

Oct. 5-7—Joint meeting Actuarial Society of America and American Institute of Actuaries, Waldorf-Astoria, New York City.

Oct. 10-13—American Life Convention annual meeting, Edgewater Beach Hotel, Chicago.

Nov. 1-3—Association of Life Agency Officers, Edgewater Beach Hotel, Chicago.

Nov. 14-16—Life Advertisers Association, Traymore Hotel, Atlantic City.

1940 is given 4.2 percent, 1941 is given 5.4 percent and 1942 is given 6.6 percent. However, the more recent five years are given a combined weight of 67.2 percent with 1943 being given 8.2 percent, 1944 being given 10.2 percent, 1945 getting 12.8 percent, 1946 getting 16 percent and 1947 being weighted at 20 percent because it would be the then current year.

Even if 100 years of quotations were used in the calculation, the most recent five years would be weighted at 67.2 percent with the then current year counting 20 percent and each of the four preceding years being weighted at 16

Rigings and Agency Director T. E. Newton were also on the program.

On Friday morning a reception was held at the home office, it being thronged with delegates and their wives. The office was beautifully decorated with native flowers. Young ladies of the home office acted as hostesses and guides through the building. At noon the superintendents, agency organizers, field supervisors, agency directors, district inspectors and home office officials were given a luncheon.

Appleby Named by Occidental

The Occidental Life of California has appointed W. L. Appleby group representative at Seattle. A native of Minnesota, he joined an investment house in Seattle after the war. He was with the Phoenix Mutual there eight years ago, later resigning to be a broker.

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American National Rally of Agents Is Impressive

(CONTINUED FROM PAGE 20)

Reeves, Industrial Underwriter O. L. Jennings and Claim Adjuster G. L. Tyler. There were a number of superintendents who spoke. Field Supervisor W. Sutherland, Division Superintendent E. C. Pollard, District Inspector J. W.